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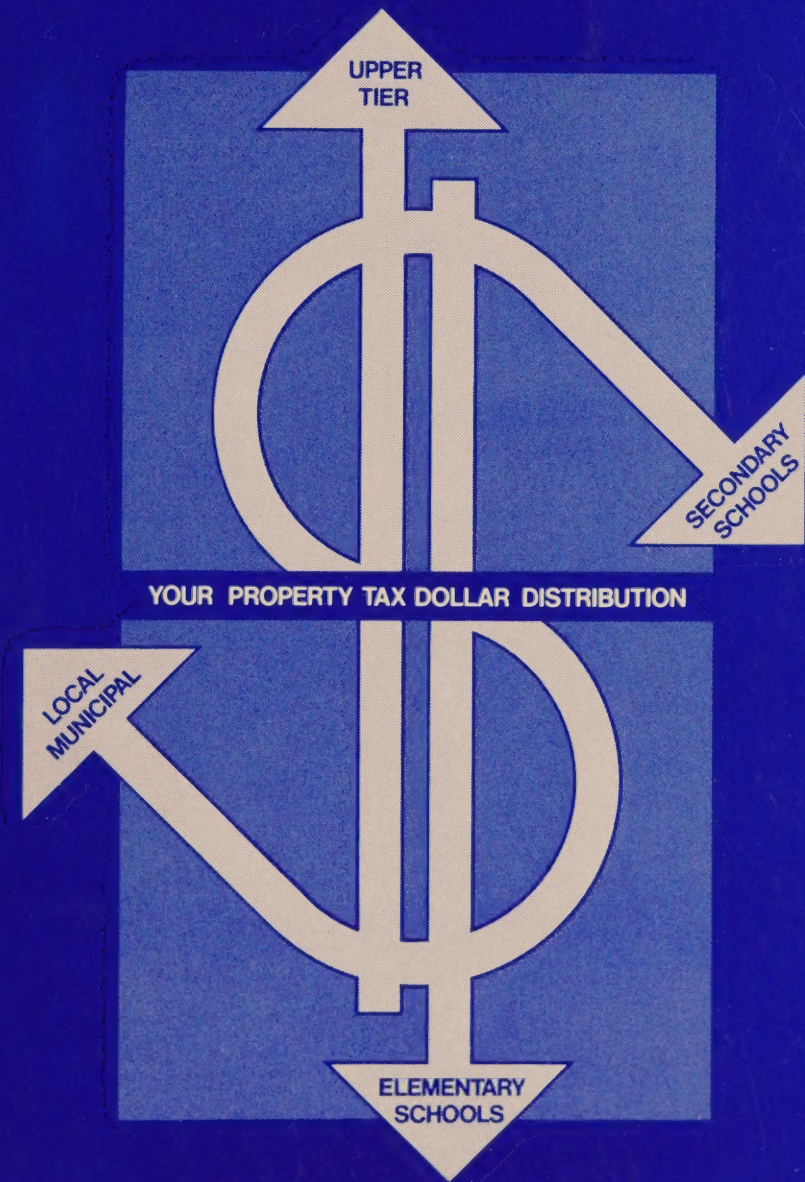
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Ministry of
Intergovernmental
Affairs

Financial Disclosure to the Public

A Code for
Municipalities in Ontario





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Financial Disclosure to the Public

A Code for
Municipalities in Ontario



Ontario

1
Ministry of
Intergovernmental
Affairs

Municipal Budgets
and
Accounts Branch

Frost Building, North
Queen's Park
Toronto, Ontario, M7A 1Y7

2
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at \$2.00 per copy.

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3
Miscellaneous publications



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Preface

There has been some criticism of the current provincial requirement that local municipalities publish annually their formal audited Financial Statements and auditors' reports. The main concern was that many rate-payers found this information difficult to understand.

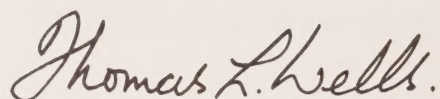
In recent months Provincial staff members have been working with a group of municipal treasurers and auditors on this problem. They have together developed a better means of communicating to the public the operating results of the municipality. As a result of their efforts the Government has modified its minimum reporting requirements, commencing in 1978. At the same time, it has prepared, for municipal treasurers, some examples on how to effect more meaningful disclosure.

The minimum disclosure requirements now prescribed are limited to the key elements of a municipality's financial performance and year-end position. As long as it meets these minimum requirements, a municipality will have complete discretion as to the format it selects to publish its financial operations. Its auditor will have an opportunity to comment on the presentation. I am sure many municipalities will want to go beyond the minimum requirements in reporting to their taxpayers, and the examples included here illustrate how this might be done.

The new disclosure requirements apply to all municipalities in Ontario except counties. However, it is my intention to consult with the various county associations with a view to broadening the present legislation to apply to counties.

These changes maintain Ontario's position in the forefront of Canadian municipal reporting practices.

There is a growing demand by the general public for governments at every level to make more meaningful disclosure of all information relating to their activities. I urge all municipalities to take advantage of the opportunities now available.



THOMAS L. WELLS
Minister of
Intergovernmental Affairs

December, 1978

Acknowledgements

This document is the result of hard work by a group of municipal finance officers and municipal auditors. We would like to pay tribute to the following individuals who gave so generously of their time in assisting the Ministry in this project and we also would like to thank their employers.

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Thorne Riddell & Co. (Kingston)

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Cossar Hector Payne & Co. (Newmarket)

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Following the successful production of this document, the working committee is continuing to work on matters relating to other aspects of reporting and financial management.

This publication has been prepared by the Municipal Budgets and Accounts Branch under the direction of A. Trafford. The research team of the Ministry was headed by M. Lawson and assisted by N. McDiarmid and W. Robson.

D. W. STEVENSON
Deputy Minister

E. M. FLEMING
Executive Director
Local Government Division

December, 1978

Introduction

Reporting Guidelines

Introduction

Section 224(1) of The Municipal Act at the present time requires each municipality, except a county, to publish in a newspaper having a general circulation within the municipality, or to have mailed or delivered to each ratepayer, a copy of the audited Financial Statements and Auditor's Report for the preceding year.

While this requires each municipality to report to its ratepayers annually, it has limitations in assisting the ratepayers to understand what they are receiving for the money they pay municipalities, primarily because the information presented is in a form not easily understood by the general public.

In December 1977, a committee made up of representatives from the Association of Municipal Clerks and Treasurers of Ontario, the Institute of Chartered Accountants of Ontario and the Municipal Budgets and Accounts Branch, Ministry of Intergovernmental Affairs, was formed to develop guidelines that would allow and encourage municipalities to report their financial operations in a more readily understandable and appealing form.

As a result of the recommendations developed by this Committee, the minimum reporting requirements to the public are revised to those specified in Section 2 of this publication.

Reporting Guidelines

Effective Date

These requirements come into effect for reporting, to the public, the municipal operations for 1978.

Counties and Regional Municipalities

The requirements for reporting to the public contained in this publication apply to all Regional Municipalities and may in future apply to all counties, subject to appropriate legislative amendments.

Municipal Responsibility

The legal requirement to have published or mailed or delivered a copy of the financial reports of the Municipality to every ratepayer is unchanged. However, the design of the format used to convey this financial information to the ratepayers and the level of sophistication of this information, beyond the minimum disclosure requirements, are decisions that are now left to the discretion of each municipality. Under these guidelines, municipalities are given the flexibility to make such decisions, subject only to meeting the minimum disclosure requirements set out in Section 2 of this publication.

Applying Minimum Disclosure Requirements

The minimum disclosure requirements as set out in Section 2 have been established to ensure that at least a reasonable level of financial information is presented to the ratepayers. Under the minimum disclosure requirements every municipality must report on unusual or extraordinary items. For example, the receipt of significant proceeds from the sale of an asset, large amounts of revenue in the form of payments-in-lieu, unusual Federal grants or loans, abnormal expenditures on an activity that would not be identifiable under the major functional classification, are examples of information that would require reporting under the minimum disclosure guidelines. Material liabilities, over and above net debt, arising from contractual obligations, long term leases, lawsuits, and vested sick leave plans, etc., are examples of information requiring separate notes in addition to those specified in the minimum disclosure guidelines.

Rounding Off

Municipalities wishing to reduce the volume of data being presented may round off the dollar amounts to the nearest thousands of dollars.

Yearly Statements Still Required

The changes contained in this publication apply only to the format under which municipalities can report to their ratepayers. Municipalities are still responsible for preparing the Municipal Financial Report and the Financial Information Return in the format set out by the Province.

Examples of Reporting Formats

As an aid to municipalities in developing their own reporting format, we have prepared hypothetical examples of Reports to the Public that might be used in whole or in part. In doing this, we were guided by reporting practices already in use in some municipalities in Ontario. These examples are set out in Section 3, Appendices A to H.

Minimum Disclosure

Appendix A for lower-tier municipalities, and appendix B for upper-tier municipalities, illustrate one way for the municipalities that wish to limit their presentation to the minimum disclosure requirements as set out in Section 2.

Moderate Level of Disclosure

Examples of Reports to the Public that go beyond the minimum disclosure requirements are contained on appendix C for lower-tier municipalities and appendix D for upper-tier municipalities. These attempt to eliminate the formality and technical language normally associated with financial statements. The sources of revenues have been reported in greater detail and activities have been used in place of the major functional headings for expenditure identification.

Expanded Level of Disclosure

Examples of Reports to the Public that significantly exceed the minimum reporting requirements are illustrated in appendix E and appendix F for lower and upper-tier municipalities respectively. In these examples the financial operations for the year have been presented with the aid of graphics. They also contain a management report from the head of council. This type of narrative comment is becoming very popular and provides an excellent vehicle for highlighting particular activities of the municipality for the preceding year. This format may cost more, but will probably be more successful in gaining the interest of a higher proportion of ratepayers. Circumstances vary among municipalities and municipal treasurers may wish to use their ingenuity in developing other expanded forms that meet the disclosure requirements.

Extracts from Financial Reports

Appendices G and H reproduce hypothetical Financial Reports that were used in preparing the examples.

A municipality not wishing to change may continue to publish the Statement of Revenue and Expenditure, Statement of Capital Operations, the Balance Sheet, Notes to the Financial Statements, Auditor's Report, and the Mill Rate information for the current and previous year as contained in the Six-Year Financial Review. Continuation of this type of presentation as a Report to the Public satisfies the minimum disclosure requirements and may be the most convenient way of fulfilling a municipality's reporting obligations. But it may also mean that the municipality has missed an opportunity to convey its stewardship responsibilities to its ratepayers in a clear, concise and meaningful format.

Minimum Disclosure Requirements

Minimum Disclosure Requirements

As a minimum, each municipality in Ontario will report to its inhabitants each year the following information from its audited Municipal Financial Report:

A. Corporate Name

The official name of the municipality with a reference as to the year being reported.

B. Revenue Fund

1. Current and previous year's average commercial and average residential mill rates for:
 - general municipal purposes;
 - county or regional purposes; and
 - school board purposes.(Counties and regions will not report this information.)
2. Actual current year, budgeted current year, and actual previous year revenue fund revenues from:
 - taxation (Counties and regions, and the District of Muskoka will show the requisitions on supporting municipalities. In addition all municipalities having direct charges on ratepayers will report these amounts under this heading);
 - Ontario grants; and
 - service charges and fees.
3. Actual current year, budgeted current year and actual previous year's revenue fund expenditures by major function as defined in the instructions to the Municipal Financial Report.

C. Capital Fund

1. Actual current year and actual previous year's capital financing from:
 - long-term liabilities incurred;
 - contributions from the revenue fund;
 - contributions from reserves and reserve funds;
 - subdivider's contributions; and
 - Ontario grants.
2. Actual current year and actual previous year's capital expenditure by major function as defined in the instructions to the Municipal Financial Report.
3. Actual current year and actual previous year's unfinanced capital outlay (unexpended capital financing) at the end of the year.

D. Reserves and Reserve Funds

Actual current year and actual previous year's total reserves and reserve funds: income; expenditure; and year-end balance.

E. Trust Funds

Actual year-end and actual previous year-end balance of trust funds under administration by the municipality.

F. Sinking Funds

Actual year-end and actual previous year-end total balance of the municipality's sinking funds.

G. Year-end Position

Actual year-end and previous year-end balances for:

- cash, including short-term investments;
- taxes receivable;
- accounts receivable;
- temporary loans;
- accounts payable;
- net long-term liabilities; and
- accumulated net revenue (deficit).

H. Auditor's Report

A notice that the audited Financial Report of the municipality and its local boards with a copy of the Auditor's Report thereon is available at a central location(s).

Note: Although the municipality is not required to publish the Auditor's Report, it must give the auditor an opportunity to review the material to be published, and must publish at the same time, together with the Report to the Public, any objection that the municipal auditor has to the Report to be published.

I. Basis of Consolidation

The extent to which the operations and assets and liabilities of the municipality and its local boards have been consolidated in the audited Financial Report, listing all the local boards that have been consolidated.

A list of the local boards of the municipality that have not been consolidated in the audited Financial Report and the address where copies of these reports and the Auditor's Report may be examined.

J. Extraordinary Items

Extraordinary or unusual items of a material nature not separately identifiable under the requirements of B. to I. above.

- Appendix A: Minimum Disclosure for Lower-Tier Municipalities**
- Appendix B: Minimum Disclosure for Upper-Tier Municipalities**
- Appendix C: Moderate Disclosure for Lower-Tier Municipalities**
- Appendix D: Moderate Disclosure for Upper-Tier Municipalities**
- Appendix E: Expanded Disclosure for Lower-Tier Municipalities**
- Appendix F: Expanded Disclosure for Upper-Tier Municipalities**
- Appendix G: Financial Report for a Lower-Tier Municipality**
- Appendix H: Financial Report for an Upper-Tier Municipality**

TOWNSHIP OF ONTARIO

1978 Financial Highlights

MILL RATES

Average Current and Previous
Year's Mill Rates

	1978		1977	
	Residential & Farm	Commercial & Industrial	Residential & Farm	Commercial & Industrial
Township Purposes	24.81	29.19	24.63	28.97
County Purposes	14.09	16.57	14.10	16.59
School Board Purposes	87.20	96.89	77.69	86.32
Total	126.10	142.65	116.42	131.88

REVENUE FUND OPERATIONS

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Revenues			
• Taxation	1,188,768	1,227,432	1,120,818
• Ontario Grants	432,313	479,978	381,954
• Payments-in-lieu of Taxes	155,739	155,811	153,929
• Fees and Service Charges	52,698	14,045	16,531
Expenditures			
• General Government	186,083	177,571	168,665
• Protection to Persons and Property	78,302	79,842	62,576
• Transportation Services	321,568	355,535	336,561
• Environmental Services	61,329	57,819	53,254
• Health Services	1,000	327	2,723
• Social and Family Services	1,000	1,000	1,000
• Recreation and Cultural Services	141,060	175,829	110,228
• Planning and Development	36,853	39,205	54,272
• County Purposes	231,626	234,766	222,526
• School Board Purposes	799,902	819,085	731,936

CAPITAL FUND OPERATIONS

	1978 Actual \$	1977 Actual \$
Capital Financing		
• Long Term Liabilities Incurred	10,000	7,900
• Contributions From The Revenue Fund	133,109	134,980
• Subdivider's Contributions	150,000	—
• Ontario Grants	225,630	92,155
Capital Expenditures		
• General Government	2,389	1,135
• Protection to Persons and Property	16,394	—
• Transportation Services	79,363	121,629
• Environmental Services	—	1,196
• Recreation and Cultural Services	399,754	58,175
• Planning and Development	—	7,900

RESERVE AND RESERVE FUND OPERATIONS

	1978 Actual \$	1977 Actual \$
• Contributions Received	35,000	10,000
• Interest Earned	22,500	20,000
• Transfers to Revenue Fund	30,000	—

YEAR END BALANCES OF ASSETS AND LIABILITIES

	1978 \$	1977 \$
• Cash and Short Term Investments	142,581	70,709
• Accounts Receivable	382,534	115,772
• Taxes Receivable	331,856	279,409
• Temporary Loans	342,000	—
• Accounts Payable and Accrued Liabilities	162,877	172,498
• Net Long Term Liabilities	46,704	54,230
• Reserve and Reserve Funds	315,688	288,188
• Accumulated Net Revenue	32,410	13,612
• Unexpended Capital Receipts	20,839	—

YEAR END BALANCE OF FUNDS UNDER ADMINISTRATION

	1978 \$	1977 \$
• Sinking Funds	18,500	12,400
• Trust Funds	13,209	12,284

NOTES

- (1) The 1978 Financial Report consolidates the operations, assets and liabilities of the Township and its local boards and municipal enterprises as follows: Police Village of Franklin, Ontario Community Park Board, Memorial Community Centre and Ontario Centennial Library Board.
- (2) The enterprises of the Township whose revenues and expenditures have not been consolidated in the 1978 Financial Report are: Franklin Hydro Electric Commission, Greenwood Cemetery Board and Sunset Transit Commission.
- (3) The above data have been extracted from the audited 1978 Financial Report of the Township and its local boards as described in Note 1. Copies of the 1978 Financial Report or the financial statements for the municipal enterprises not consolidated (see Note 2) are available at the Township Offices to any resident who wishes to review or analyze the financial operations of the Township in greater detail.

REGIONAL MUNICIPALITY OF ALLENTON

1978 Financial Highlights

REVENUE FUND OPERATIONS

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Revenues			
• Requisition on local municipalities	4,743,408	4,754,363	4,391,655
• Direct charges on ratepayers	2,361,270	2,371,563	2,218,002
• Ontario grants	6,789,677	6,444,301	6,061,779
• Service charges and fees	1,982,000	1,965,317	1,841,917
Expenditures			
• General government	961,749	1,037,954	1,277,503
• Protection to persons and property	2,952,116	2,920,794	2,684,114
• Transportation services	2,510,000	2,665,443	2,345,348
• Environmental services	3,858,982	3,813,258	3,460,392
• Health services	1,149,399	1,129,345	1,066,826
• Social and family services	4,464,706	4,151,706	3,891,682
• Planning and development	811,301	823,028	682,225
• Recreation and cultural services	18,517	18,965	12,257

CAPITAL FUND OPERATIONS

	1978 Actual \$	1977 Actual \$
Capital Financing		
• Long-term liabilities incurred	2,560,261	1,605,598
• Contributions from the revenue fund	1,126,732	890,875
• Contributions from the reserve fund and reserves	109,109	87,348
• Ontario grants	1,811,848	1,528,325
Capital Expenditures		
• General government	48,195	5,076
• Protection to persons and property	280,264	216,380
• Transportation services	2,069,352	1,428,139
• Environmental services	2,251,014	1,685,940
• Health services	3,645	2,814
• Social and family services	5,191	6,319
• Recreation and cultural services	499	—
• Planning and development	12,087	7,316
• Other	293,953	—

RESERVE AND RESERVE FUND OPERATIONS AND YEAR END BALANCES

	1978 Actual \$	1977 Actual \$
• Revenue	547,454	1,522,960
• Transfers and expenditures	727,539	213,143
• Year-end position of reserves and reserve funds	<u>2,982,166</u>	<u>3,162,251</u>

YEAR END BALANCES OF ASSETS AND LIABILITIES

	1978 Actual \$	1977 Actual \$
• Cash and short-term investments	1,977,326	2,020,364
• Accounts receivable	1,961,839	1,856,335
• Temporary loans	503,866	145,288
• Accounts payable and accrued liabilities	975,572	1,565,969
• Net long-term liabilities	11,278,689	9,617,329
• Accumulated net revenue at the end of the year	500,474	460,573
• Unfinanced capital outlay at the end of the year	153,945	852,404
• Trust funds under administration	1,157,404	1,082,913

NOTES

- (1) These financial highlights reflect the operations, assets and liabilities of the municipality and the following local boards and municipal enterprises: Allenton Museum Board, Allenton Board of Health and Allenton waterwork's system.
- (2) The Allenton Transit Commission has not been consolidated. Copies of the Transit Commission's audited financial statements are available at 136 Orchard Street, Allenton, Ontario.
- (3) Copies of the audited financial report from which these highlights were extracted are available at the municipal treasurer's office at 140 Water Street, Allenton, Ontario.

TOWNSHIP OF ONTARIO

1978 Financial Information

1978-77 MILL RATES

	Residential and Farm Properties			Commercial and Industrial Properties		
	1978	1977	Inc. %	1978	1977	Inc. %
Township Levy						
— General services	9.67	9.75		11.38	11.47	
— Roads	15.14	14.88		17.81	17.50	
	<u>24.81</u>	<u>24.63</u>	<u>+0.7</u>	<u>29.19</u>	<u>28.97</u>	<u>+0.8</u>
County Levy	<u>14.09</u>	<u>14.10</u>	<u>—</u>	<u>16.57</u>	<u>16.59</u>	<u>—</u>
Education Levy						
— Public School Supporters						
Elementary	45.44	40.50		50.49	45.00	
Secondary	41.76	37.19		46.40	41.32	
	<u>87.20</u>	<u>77.69</u>	<u>+12.3</u>	<u>96.89</u>	<u>86.32</u>	<u>+12.2</u>
— Separate School Supporters						
Elementary	43.08	40.30		47.87	44.78	
Secondary	41.76	37.19		46.40	41.32	
	<u>84.84</u>	<u>77.49</u>	<u>+9.5</u>	<u>94.27</u>	<u>86.10</u>	<u>+9.5</u>
Total Mill Rates						
Public School Supporters	<u>126.10</u>	<u>116.42</u>	<u>+8.3</u>	<u>142.65</u>	<u>131.88</u>	<u>+8.2</u>
Separate School Supporters	<u>123.74</u>	<u>116.22</u>	<u>+6.5</u>	<u>140.03</u>	<u>131.66</u>	<u>+6.4</u>

1978-77 AVERAGE HOUSEHOLD TAXES

The average residential assessment per household according to the 1978 assessment roll supplied by the Ministry of Revenue was \$2,922. Using this assessment base, the average residential tax burden per household was as follows:

	1978 \$	1977 \$	Increase (Decrease) \$
Township Levy			
General purposes	28	28	—
Road purposes	44	43	+ 1
	<u>72</u>	<u>71</u>	<u>+ 1</u>
County Levy	<u>41</u>	<u>41</u>	<u>—</u>
Jefferson Board of Education			
Elementary purposes	133	118	+15
Secondary purposes	122	109	+13
	<u>255</u>	<u>227</u>	<u>+28</u>
Total Residential Property Taxes	<u>368</u>	<u>339</u>	<u>+29</u>

The above 1978 taxation per household of \$368 (1977-\$339) is for a public school supporter living in the rural area. Comparable amounts for taxation per household for separate school supporters are \$362 in 1978 and \$339 in 1977.

The average taxes reported above represent total taxes payable before consideration of tax credits under the Ontario Tax Credit program or tax relief provisions to elderly ratepayers under The Municipal and School Tax Credit Assistance Act and The Municipal Elderly Resident's Assistance Act.

REVENUE FUND OPERATIONS

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Where the Money Came From:			
• Property taxes levied on residential and farm ratepayers	1,014,218	1,047,495	956,001
• Property taxes levied on industrial and commercial ratepayers	147,048	151,873	138,607
• Business taxes levied on industrial and commercial enterprises	22,502	23,240	21,210
• Federal and Provincial payments on land and buildings not subject to normal property taxation	155,739	155,811	153,929
• Grants received from the Province of Ontario	432,313	479,978	381,954
• Grants received from the Federal Government	22,135	25,636	18,160
• Fees charged for licences and permits issued by the Township	12,120	13,656	10,850
• Service charges and other income	49,543	62,088	47,152
• Surplus funds available from previous year's operations	11,633	13,612	29,490
Total Revenues	1,867,251	1,973,389	1,757,353
To Provide the Following Services:			
• General administration, council, legal and financial	186,083	177,571	168,665
• Fire prevention	46,000	46,247	40,709
• Building inspection and animal control	25,802	26,943	16,040
• Road maintenance, winter control, street lighting, roadway improvement	321,568	355,535	336,561
• Sewage collection and treatment, garbage collection and disposal	55,129	51,473	48,419
• Water treatment and distribution	6,200	6,346	4,835
• Cemetery maintenance	1,000	327	2,723
• Donations to private day nurseries	1,000	1,000	1,000
• Park maintenance, arena and community centre operations and construction	116,100	151,010	90,763
• Libraries	24,960	24,819	19,465
• Planning and zoning, Committee of Adjustment, official plan	36,853	39,205	54,272
• Our share of Allenton Conservation Authority requirements	6,500	6,652	5,827
• Our share of the County of Jefferson's requirements which represent 14.8% of the overall County requisition	231,626	234,766	222,526
• Our share of the requirements of the three school boards operating within the Township	799,902	819,085	731,936
Total Expenditures	1,858,723	1,940,979	1,743,741
• Surplus funds available at year-end	8,528	32,410	13,612
	1,867,251	1,973,389	1,757,353

REVENUE FUND OPERATIONS

Notes:

- (1) The Revenue Fund operations above highlight all the expenditures for the day-to-day running of the Township, and the revenues raised to finance those expenditures. It also includes assistance of \$133,109 to the Capital Fund to pay for capital works in progress and payment of debt charges amounting to \$10,251.
- (2) Of the actual expenditure shown above, the following amounts were not under the direct control of Council:

	1978	1977
	\$	\$
Conservation authority requisition	6,652	5,827
Spent by Police Village of Franklin	16,072	14,840
Spent by Centennial Library Board	24,819	19,465
Spent by Community Park Board	32,000	21,000
County of Jefferson requisition	234,766	222,526
School board requisitions	819,085	731,936
	<u>1,133,394</u>	<u>1,015,594</u>

CAPITAL FUND OPERATIONS**Capital Works Financed From:**

	1978 Actual \$	1977 Actual \$
● Province of Ontario grants		
— Roadway improvements	47,981	42,155
— Construction of Memorial Community Centre	177,649	50,000
● Property taxes and grants (from the Revenue Fund)	133,109	134,980
● Subdivider contributions to offset capital projects	150,000	—
● Debentures issued	10,000	7,900
Capital Financing Provided	<u>518,739</u>	<u>235,035</u>

Capital Improvements Undertaken:

● General government		
— Office furniture and equipment	2,389	1,135
● Fire prevention		
— New auxiliary truck	16,394	—
● Roadways		
— Realignment and resurfacing	64,063	121,629
— One 5 ton dump truck	15,300	—
● Sewage		
— Installation of control valve	—	1,196
● Recreation		
— Construction of Memorial Community Centre	399,754	58,175
● Development		
— Land for New Haven Industrial Park	—	7,900
Total Capital Expenditure	<u>497,900</u>	<u>190,035</u>
● Previous year's projects not financed	—	45,000
● Unutilized capital receipts at year-end	20,839	—
	<u>518,739</u>	<u>235,035</u>

Notes:

- (1) The Capital Fund of the Township is used to record significant expenditures of the municipality for land, buildings, structures and equipment. For an expenditure to be classified as a capital expenditure, the benefit from the expenditure should last more than one year.
- (2) The property tax amounts received from the Revenue Fund were raised by the Township's annual levy for capital purposes. This levy was set at 4.5 mills in 1977 and 1978.

RESERVE AND RESERVE FUND OPERATIONS

	1978 Actual \$	1977 Actual \$
Balance available at the beginning of the year	<u>288,188</u>	<u>258,188</u>
Revenues:		
— Contributions raised through general taxation	20,000	6,000
— Lot levies received from developers	15,000	4,000
— Interest on investments	22,500	20,000
	<u>57,500</u>	<u>30,000</u>
Expenditures:		
— Contribution from the Reserve for contingencies to offset higher than budgeted winter control and arena operating costs	30,000	—
Year-end balance available for future municipal purposes	<u>315,688</u>	<u>288,188</u>

YEAR END POSITION OF ASSETS AND LIABILITIES

	1978	1977
	\$	\$
Assets		
• Cash and short-term investments	142,581	70,709
• Amounts owing to the municipality	382,534	115,772
• Taxes owing to the municipality	331,856	279,409
• Supplies and other assets	16,843	8,408
• Capital outlay of the municipality not repaid	46,704	54,230
Total Assets	920,518	528,528
Liabilities		
• Temporary bank loans	342,000	—
• Amounts owing by the municipality	162,877	172,498
• Outstanding long-term debt	46,704	54,230
• Amounts set aside for specific purposes	315,688	288,188
• Amounts to be applied against next year's tax levies and charges	32,410	13,612
• Amounts to be applied in financing future capital spending	20,839	—
Total Liabilities	920,518	528,528

Notes:

(1) The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead, the only fixed asset cost reported is the "Capital outlay of the municipality not repaid" which is the total of the principal portion of unmatured long-term debt and the cost of capital projects not yet permanently financed less the amount of sinking funds accumulated to retire the outstanding debt.

(2) Details of current municipal revenue "amounts set aside for specific purposes" are as follows:

	1978	1977
	\$	\$
Reserves		
For working capital	22,500	—
For park buildings	5,213	5,213
For contingencies	33,000	28,000
	60,713	33,213
Reserve Funds		
For equipment replacement	204,975	204,975
For installation of sewer and water lines, and street lighting (New Haven Subdivision)	50,000	50,000
	254,975	254,975
	315,688	288,188

(3) "Outstanding long-term debt" has been reduced by an amount of \$18,500 in 1978 (\$12,400 in 1977) being the total value of sinking funds accumulated to the end of the year to retire outstanding long-term debt.

(4) The Greenwood Perpetual Care Trust Fund having a 1978 year-end balance of \$13,209 (\$12,284 in 1977) has not been included in the Assets of the Township, since these funds are not available for general municipal purposes.

GENERAL NOTES

1. The 1978 Financial Report consolidates the operations, assets and liabilities of the Township and its local boards and municipal enterprises as follows: Police Village of Franklin, Ontario Community Park Board, Memorial Community Centre and Ontario Centennial Library Board.
 2. Municipal enterprises are those activities whose costs are substantially recovered from service charges on users. The enterprises of the Township whose revenues and expenditures have been excluded from the financial information highlighted above are as follows: Franklin Hydro-Electric Commission, Greenwood Cemetery Board and Sunset Transit Commission. Copies of the audited financial statements for these enterprises can be obtained from our auditors: Sherlock and Holmes, 125 King Street, Franklin, Ontario.
 3. The financial highlights presented have been basically extracted from the audited 1978 Financial Report of the Township and its local boards as described in Note 1. The terminology contained in the Financial Report has been modified and expanded in order that you might appreciate more fully the nature of our operations.
 4. Copies of the 1978 audited Financial Report are available from the Township Treasurer for any resident who wishes to review or analyze the financial operations of the Township in greater detail.
-

REGIONAL MUNICIPALITY OF ALLENTON

Message from the Chairman

I am proud to present to you this summary of the financial operations of the Region of Allenton for 1978.

This summary includes the operations and assets and liabilities of the Regional Municipality of Allenton and the Allenton Museum Board, the Allenton Board of Health and the Allenton waterwork's system. This information, including the explanatory notes, has been extracted from the audited financial records of the municipality.

Copies of the audited financial report of the Regional Municipality of Allenton are available from the Region's municipal offices.

The Allenton Transit Commission has not been consolidated. Copies of the Transit Commission's audited financial report are available at 136 Orchard Street, Allenton, Ontario.

The goal of the Regional Council is to provide the required level of services to the residents of the Region at the lowest possible cost. I would encourage citizens and taxpayers to contact their regional councillors or the regional offices if they would like more information on our activities. Regional Council meetings are held at the Regional Administration Building every Monday night.

T. W. Frank
Chairman

SUMMARY OF CAPITAL FUND OPERATIONS

The Capital Fund records the acquisition of assets having a useful life of more than one year.

	1978 \$	1977 \$
New capital assets acquired:		
Protection to persons and property		
— purchase and equipping police vehicles, new vehicles for building inspectors	280,264	216,380
Roadways		
— road and bridge construction and purchase of road maintenance equipment	2,069,352	1,428,139
Environmental services		
— installing new sewage collectors and water transmission lines	2,251,014	1,685,940
Other assets	363,570	21,525
Total capital expenditure during the year	4,964,200	3,351,984
How the acquisition of capital assets were financed:		
Long-term debt issued during the year to be repaid out of future revenues	2,560,261	1,605,598
Transferred from current revenues	1,126,732	890,875
Transferred from reserve funds	109,109	87,348
Ontario grants to offset the cost of capital asset acquisition	1,811,848	1,528,325
Other financing	54,709	6,477
Total capital financing during the year	5,662,659	4,118,623
Capital expenditures unfinanced at beginning of year	852,404	1,619,043
Capital expenditures unfinanced at end of year	153,945	852,404

SUMMARY OF REVENUE FUND OPERATIONS

The Revenue Fund records the day-to-day operations of the municipality.

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Where the money came from:			
Previous year's surplus taken into current revenue	460,573	460,573	810,403
Amounts requisitioned from supporting municipalities	4,743,408	4,754,363	4,391,655
Amounts charged directly to ratepayers for water and sewer services	2,361,270	2,371,563	2,218,002
Provincial grants towards the costs of providing specific services	3,802,219	3,602,172	3,394,596
Provincial grants to reduce municipal taxation in general	2,987,458	2,842,129	2,667,183
Resident fees — Homes for the Aged	1,238,058	1,440,964	1,151,558
Other revenue	1,341,230	1,589,203	1,247,523
Total operating funds provided	16,934,216	17,060,967	15,880,920
What the money was spent for:			
General government			
— council and general administration	961,749	1,037,954	1,277,503
Protection to persons and property			
— police, conservation authority and building inspections	2,952,116	2,920,794	2,684,114
Roadways			
— repairs and maintenance of roads, snow removal and traffic control	2,510,000	2,665,443	2,345,348
Environmental services			
— collecting and treating sewage, treating and supplying water, providing garbage disposal sites	3,858,982	3,813,258	3,460,392
Health services			
— Board of Health and contributions to hospitals	1,149,399	1,129,345	1,066,826
Social and family services			
— running the Homes for the Aged, welfare and the Children's Aid Society	4,464,706	4,151,706	3,891,682
Planning and development			
— developing the official plan, industrial and residential development	811,301	823,028	682,225
Cultural services			
— aid to cultural organizations	18,517	18,965	12,257
Total expenditures	16,726,770	16,560,493	15,420,347
Surplus at the year-end	207,446	500,474	460,573
	16,934,216	17,060,967	15,880,920
1. The revenue fund surplus at the year-end is analyzed as follows:			
Available to offset next year's requisitions on supporting municipalities	—	215,452	—
Municipal waterwork's systems	207,446	285,022	460,573
Total surplus	207,446	500,474	460,573
2. Included in the above expenditures were transfers of \$1,126,732 to the capital fund to pay for capital asset acquisitions, and \$1,367,624 in debt charges as repayment of outstanding long-term debt.			

RESERVE AND RESERVE FUND OPERATIONS AND YEAR END BALANCES

Reserve funds and reserves are current municipal revenues set aside to meet future expenditures as the need arises.

	1978 \$	1977 \$
Opening balance	<u>3,162,251</u>	<u>1,852,434</u>
Revenues		
Subdivider's payments to offset future costs of new development	245,711	364,847
Transfers from current revenue	72,093	594,115
Ontario grants	120,255	493,161
Interest income	94,815	69,887
Other revenue	14,580	950
	<u>547,454</u>	<u>1,522,960</u>
Expenditures		
Transfer to finance the acquisition of capital assets	109,109	87,348
Transfer back to the revenue fund to finance current operations	519,353	74,858
Other transfers	99,077	50,937
	<u>727,539</u>	<u>213,143</u>
Year-end balance	<u><u>2,982,166</u></u>	<u><u>3,162,251</u></u>

Notes:

- (1) The year-end balances in the reserves and reserve funds are available for the following purposes:

	1978 \$	1977 \$
Reserves:		
Working funds and contingencies	1,070,997	1,527,730
Vested employee sick leave	106,693	132,602
Insurance and replacement of equipment	62,948	41,407
	<u>1,240,638</u>	<u>1,701,739</u>
Reserve Funds:		
For future capital expenditures	456,911	404,696
Ontario Home Renewal Plan	448,093	385,988
Subdivider's payments to offset future costs of development	836,524	669,828
	<u>1,741,528</u>	<u>1,460,512</u>
	<u><u>2,982,166</u></u>	<u><u>3,162,251</u></u>

- (2) During the year, \$475,361 in municipal revenue was credited directly to Reserve funds without being reflected as part of the revenues and expenditures of the Revenue Fund (1977 amounts totalled \$928,845).

YEAR END POSITION OF ASSETS AND LIABILITIES

	1978 \$	1977 \$
Assets		
Cash and short-term investments	1,977,326	2,020,364
Receivable from the Province of Ontario	1,163,191	972,849
Water rates receivable	604,354	632,567
Other current assets	1,108,877	938,412
	<u>4,853,748</u>	<u>4,564,192</u>
Capital outlay to be paid from future municipal revenues	11,549,708	10,800,924
Total	<u>16,403,456</u>	<u>15,365,116</u>
Liabilities		
Temporary loans outstanding	503,866	145,288
Trade accounts payable and accrued liabilities	1,021,187	1,648,484
	<u>1,525,053</u>	<u>1,793,772</u>
Outstanding long-term debt	11,278,689	9,617,329
Reserves and reserve funds	2,982,166	3,162,251
Revenue fund surplus and capital fund expenditures still to be financed	617,548	791,764
Total	<u>16,403,456</u>	<u>15,365,116</u>

Notes:

- (1) The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead, capital outlay to be paid from future municipal revenues which is the aggregate of the principal portion of outstanding long-term debt, and the cost of capital projects not yet permanently financed is reported.
- (2) Trust funds administered by the municipality amounting to \$1,157,404 in 1978 (\$1,082,913 in 1977) are not reflected in this financial summary.
- (3) Under The Regional Municipality of Allenton Act, the Region has assumed the responsibility of the former local municipalities in agreements with the Ontario Water Resources Commission and Ministry of the Environment for the provision and maintenance of water and sanitary sewage systems. The previous agreements between local municipalities and the Ontario Water Resources Commission and Ministry of the Environment are being renegotiated at the present time to reflect the change in legislation and operations. In 1978, payments under these agreements were \$964,883.
- (4) Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to \$528,728 at the end of the year. To date, \$69,283 has been provided to offset this future liability.

1978 Report to the Residents of the Township of Ontario

REEVE'S MESSAGE

Property Tax Levies:

- Your 1978 tax bill reflects an overall net increase in the mill rate of 8.3%. This increase is below the rate of inflation occurring in 1978 and we suggest reflects the continuing responsible attitude taken by your Council in introducing good, sound administrative, fiscal and planning policies during the year.
- The financial information contained in this report pertains to the direct operations of the Township. However, it should be noted that the Township also collects from its ratepayers the levy requirements for the County of Jefferson and the three school boards operating within the Township. Your Township Council has no direct control as to the amounts requisitioned to meet County and school purposes.
- Present development within the Township will increase the Township's assessment base and should eliminate the need for increased Township mill rates in 1979.

Official Plan:

After incorporating all of the recommendations/input received from ratepayer groups, the plan was officially approved by your Council in June, 1978 and forwarded to the Minister of Housing to obtain Provincial approval.

Zoning By-Laws:

An interim land use zoning by-law was introduced in May of 1977. A permanent zoning by-law is being drafted now with the assistance of an \$8,500 planning grant from the Ministry of Housing and should be ready for circulation to all ratepayers by April 1979.

Building By-Laws:

A new building by-law was introduced in April and two by-law enforcement inspectors were hired on a part-time basis to ensure Township by-laws relating to building land use, sanitation sites, building code stipulations, parking, etc. are adhered to.

Fire Prevention:

As part of our program to improve the effectiveness of our volunteer fire department, a new auxiliary vehicle was purchased to assist in transporting portable pumps and other equipment.

Roads:

- We have now completed the second year of our five year program with the Ministry of Transportation and Communications to upgrade our main arterial roads. In 1978 improvements were made to several sections of High Falls Road, Dorset Road and Jackson Road. This program is proceeding according to plan and will ultimately reduce our annual road maintenance costs.
- According to our equipment replacement policy, one new dump truck complete with snow plow was purchased to replace a 1970 model.
- Throughout 1978 we continued to maintain our established grading policy of every three weeks for all roads.

Memorial Community Centre:

- A considerable proportion of Council's efforts in 1978 was devoted to overseeing the construction of this dual purpose facility and ensuring it would be operational during 1978. It will be used year round as a facility for hockey, figure skating, public skating and lacrosse, not to mention the special events occurring at the community hall. Capital expenditures in 1978 totalled approximately \$400,000 and we would expect that with an additional expenditure of approximately \$125,000 in 1979 all aspects of this complex will be functional.

- It is also noteworthy that with the help of Wintario assistance, developer's contributions and contributions from the Revenue Fund, no portion of the capital costs will be debentured requiring future ratepayers to contribute towards this facility.

The preceding highlights some of the major activities undertaken on your behalf in 1978. This year will be remembered as the year the Township constructed and opened the Memorial Community Centre — a facility which will provide recreation and community services for many years in the future.

If you have any specific concerns regarding any activity within the Township, we welcome your comments and enquiries and remind you that Council and Township staff are here for the express purpose of servicing the ratepayers and residents of the Township.

Yours sincerely,

Andrew Jackson,
Reeve.

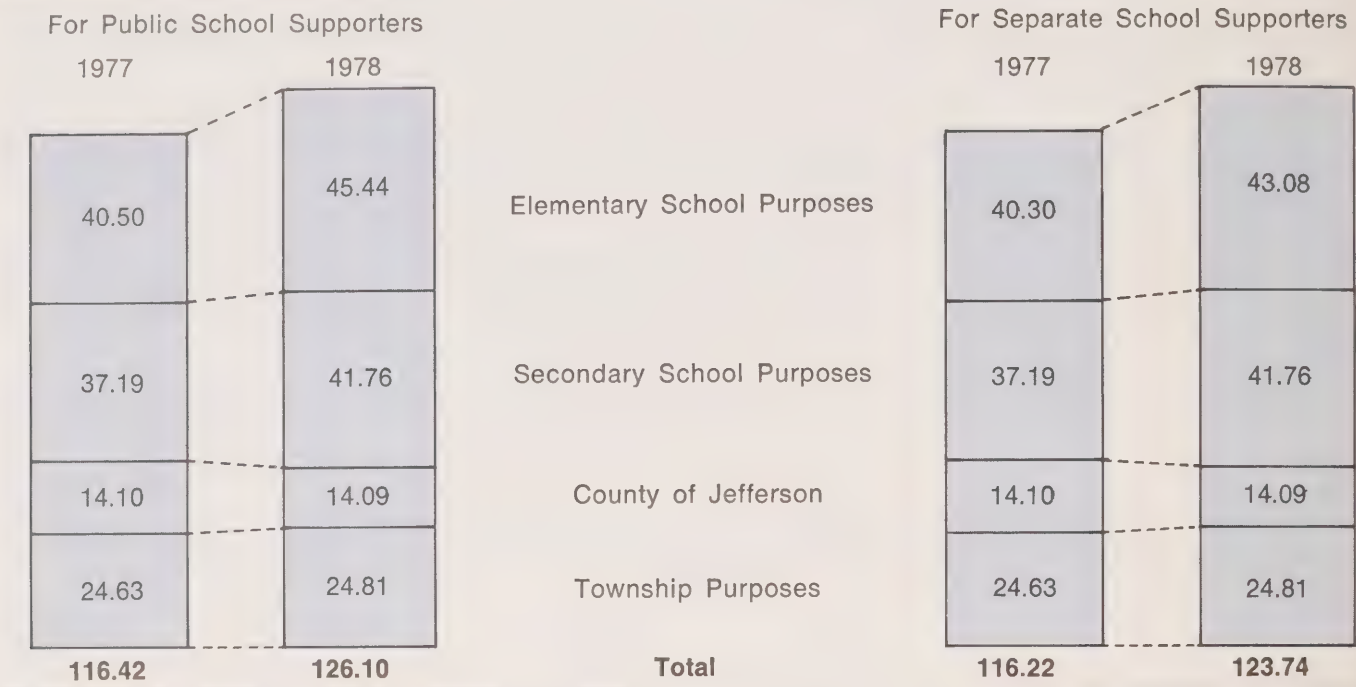
1978-77 MILL RATES

	Residential and Farm Properties		Commercial and Industrial Properties	
	Public	Separate	Public	Separate
Township of Ontario	24.81	24.81	29.19	29.19
County of Jefferson	14.09	14.09	16.57	16.57
Public Elementary	45.44	—	50.49	—
Separate Elementary	—	43.08	—	47.87
Secondary School Board	41.76	41.76	46.40	46.40
1978 Overall Mill Rates	126.10	123.74	142.65	140.03
Township of Ontario	24.63	24.63	28.97	28.97
County of Jefferson	14.10	14.10	16.59	16.59
Public Elementary	40.50	—	45.00	—
Separate Elementary	—	40.30	—	44.78
Secondary School Board	37.19	37.19	41.32	41.32
1977 Overall Mill Rates	116.42	116.22	131.88	131.66
1978 Mill Rate Increases	9.68	7.52	10.77	8.37
1977 Overall Mill Rates	116.42	116.22	131.88	131.66
Overall % Increase	+8.3%	+6.5%	+8.2%	+6.4%

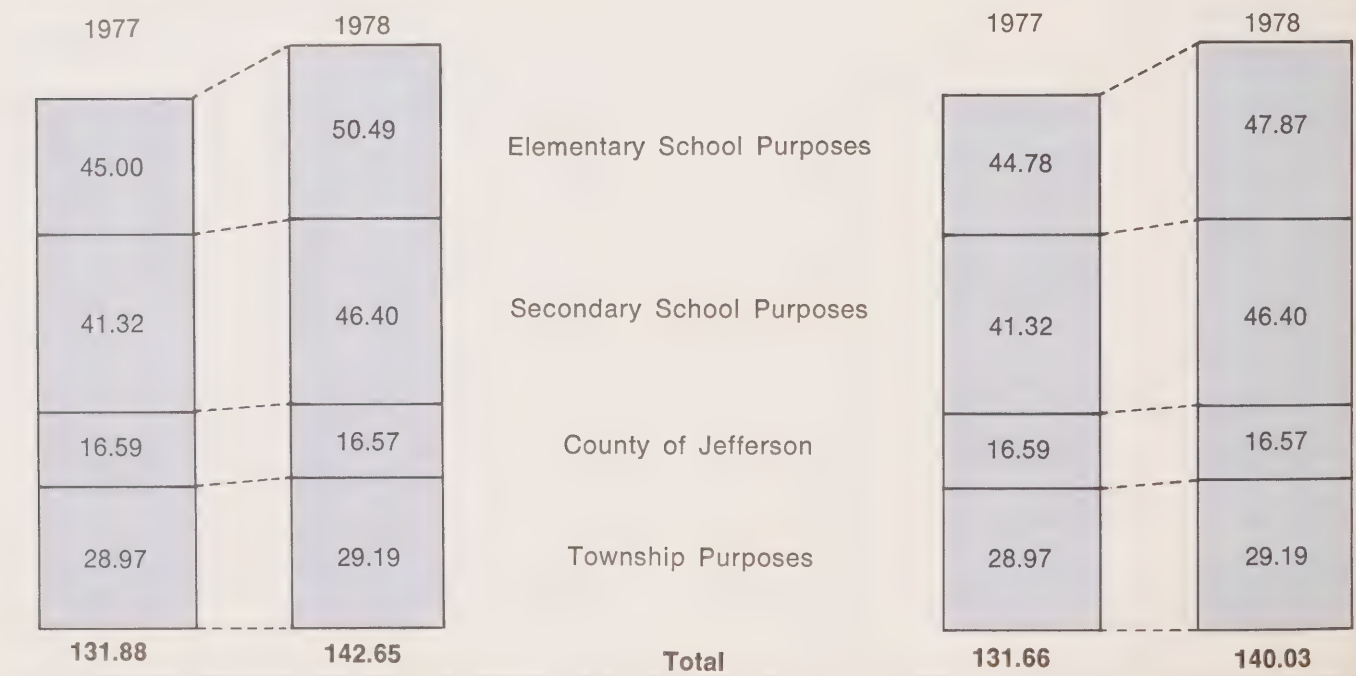
Your property taxes are calculated by multiplying the assessment values shown on your current assessment notice (as determined by the Province of Ontario Regional Assessment Office) by the applicable mill rates above and dividing the result by 1000. For example, if your house is assessed at \$3,150 and you are a public school supporter in the rural area, your total taxes = $\$3,150 \times 126.10 \div 1000 = \397.22 .

1978-77 MILL RATES

Residential and Farm Properties



Industrial and Commercial Properties



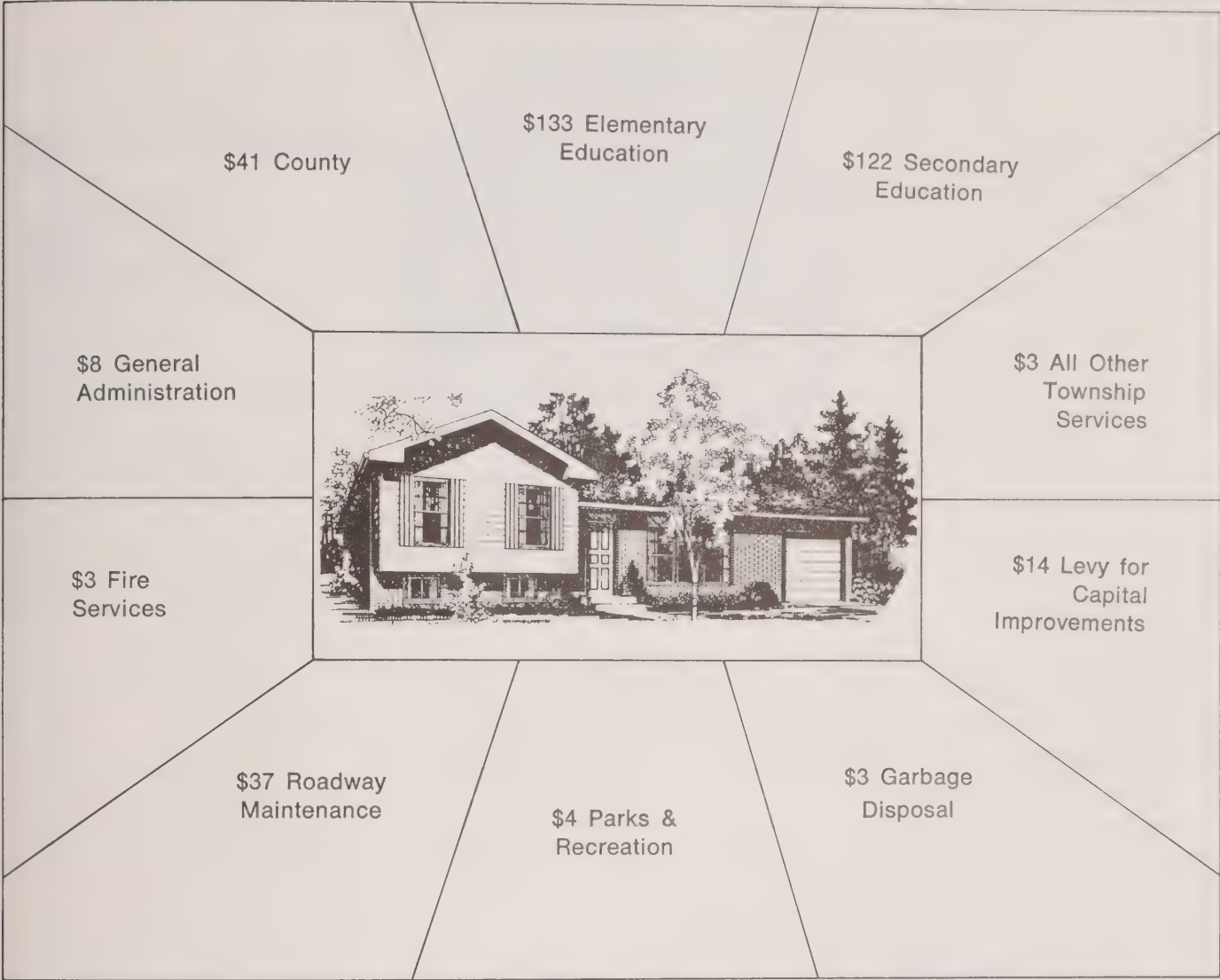
Your property taxes are calculated by multiplying the assessment values shown on your current assessment notice (as determined by the Province of Ontario Regional Assessment Office) by the applicable mill rates above and dividing the result by 1000. For example, if your house is assessed at \$3,150 and you are a public school supporter in the rural area,

your total taxes = \$3,150 × $\frac{126.10}{1000}$ = \$397.22.

"The graphic example above represents an alternative format to the completely numerical format contained on page 25."

1978-77 AVERAGE HOUSEHOLD TAXES

What the Average Residential Taxpayer Contributed in 1978 Towards Tax Supported Services



The above illustration is intended to show the 1978 cost of municipal services for the average Township homeowner, having an assessed value on a house and lot of \$2,900. Using this assessment base, the average residential tax burden per household was as follows:

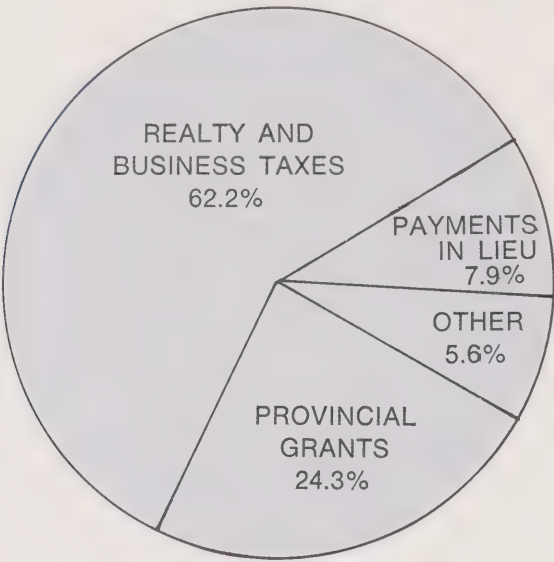
	1978	1977	Increase
	\$	\$	\$
Township purposes	72	71	+ 1
County purposes	41	41	—
Education purposes	255	227	+28
	368	339	+29

The above 1978 taxation per household of \$368 (1977-\$339) is for a public school supporter living in the rural area. Comparable amounts for taxation per household for separate school supporters are \$362 in 1978 and \$339 in 1977. For those receiving garbage collection and sewage and water services, an additional charge of \$12 and \$24 respectively would apply.

The average taxes reported above represent total taxes payable before consideration of tax credits under the Ontario Tax Credit program or tax relief provisions to elderly ratepayers under The Municipal and School Tax Credit Assistance Act and The Municipal Elderly Resident's Assistance Act.

REVENUE FUND OPERATIONS

1978 Actual Revenues \$1,973,389

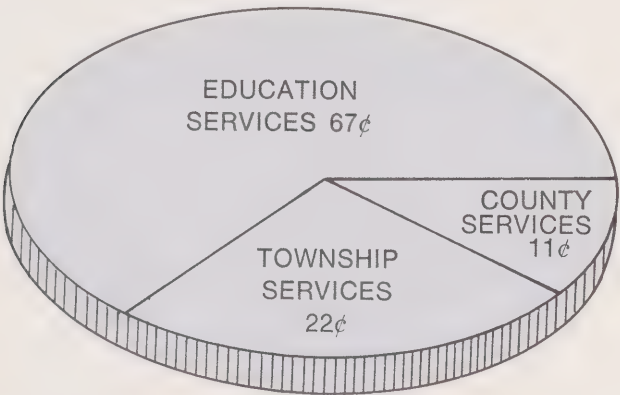


Source of Funds:

- Property tax levies
- Federal and Provincial payments-in-lieu of taxes
- Provincial unconditional grants
- Provincial specific grants
- Federal specific grants
- Service charges and other income

1978 Actual \$	1978 Budget \$	1977 Actual \$
1,227,432	1,188,768	1,120,818
155,811	155,739	153,929
257,880	245,550	196,312
222,098	186,763	185,642
25,636	22,135	18,160
84,532	68,296	82,497

1978 Realty and Business Tax Dollar Distribution



Total 1978 Property Tax Levy \$1,227,432

Where The Tax Dollars Went:

Education tax levies

- Jefferson County Elementary Board
- Jefferson County Separate Board
- Jefferson County Secondary Board

County of Jefferson tax levy

Township of Ontario tax levy

1978 Actual \$	1978 Budget \$	1977 Actual \$
393,507	383,478	351,326
32,533	31,209	31,068
393,062	385,230	349,476
819,102	799,917	731,870
134,328	131,251	129,509
274,002	257,600	259,439

REVENUE FUND OPERATIONS

	1978 Actual \$	1978 Budget \$	1977 Actual \$	
We Spent on Operations:				To Provide:
Transportation services	355,535	321,568	336,561	● normal maintenance, and winter clearance of 78 miles of road
General government	177,571	186,083	168,665	● general administration, Council, legal and financial
Parks and recreation	151,010	116,100	90,763	● 10 acres of parkland and one community centre
Fire services	46,247	46,000	40,709	● 26 volunteer firemen and 2 fire stations
Garbage collection and disposal	41,681	45,337	38,627	● weekly collection in urban area and 4 disposal sites
Planning and development	39,205	36,853	54,272	● 30 applications for land severances approved, overall planning
Other protective services	33,595	32,302	21,867	● 2 animal control officers, \$2.1 million in building permits issued
Library services	24,819	24,960	19,465	● loan of 27,000 books and publications
Water and sewage services	16,138	15,992	14,627	● 95 households serviced
Miscellaneous	1,327	2,000	3,723	● cemetery board deficit and donations
Total Expenditures	887,128	827,195	789,279	
Contributions to school boards	819,085	799,902	731,936	
Contributions to County	234,766	231,626	222,526	
General operating surplus	32,410	8,528	13,612	● to reduce 1978 and 1979 taxes
	1,973,389	1,867,251	1,757,353	

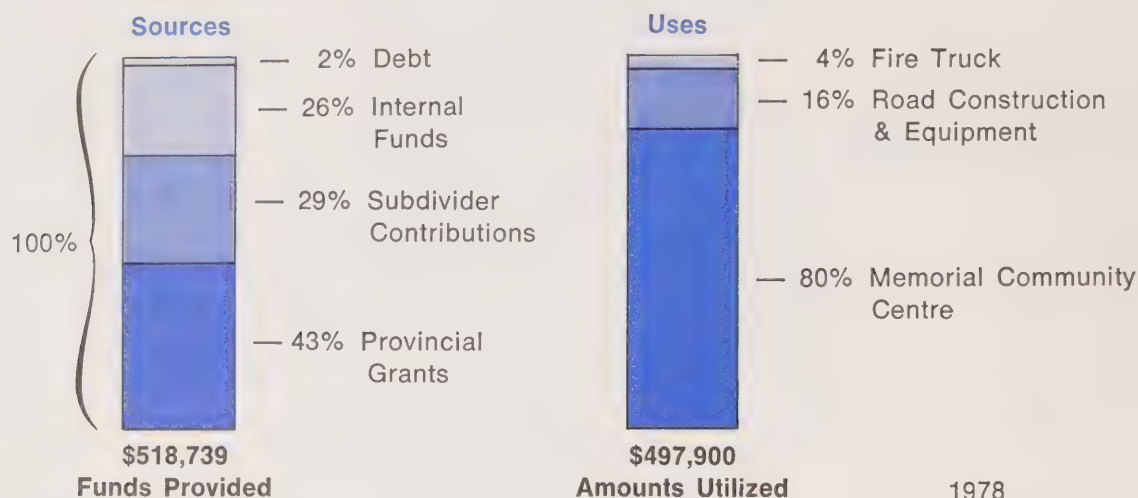
Notes:

- (1) The expenditure analysis above highlights all the costs for the day-to-day running of the Township. It also includes assistance of \$113,109 to the Capital Fund to pay for capital works in progress and payment of debt charges amounting to \$10,251.
- (2) Of the actual expenditure shown above, the following amounts were not under the direct control of Council:

	1978 \$	1977 \$
Spent by Police Village of Franklin	16,072	14,840
Spent by Centennial Library Board	24,819	19,465
Spent by Community Park Board	32,000	21,000
Conservation authority requisition	6,652	5,827
School board requisitions	819,085	731,936
Jefferson County requisition	234,766	222,526
	1,133,394	1,015,594

CAPITAL OPERATIONS

Analysis of 1978 Capital Financing



Capital Amounts Received:

	1978 Actual \$	1977 Actual \$
● Province of Ontario grants		
— Roadway improvements	47,981	42,155
— Construction of Memorial Community Centre	177,649	50,000
● Property taxes and grants (from the Revenue Fund)	133,109	134,980
● Subdivider contributions to offset capital projects	150,000	—
● Debentures issued	10,000	7,900

Capital Projects Undertaken:

	1978 Actual \$	1977 Actual \$
● General government		
— Office furniture and equipment	2,389	1,135
● Fire prevention		
— New auxiliary truck	16,394	—
● Roadways		
— Realignment and resurfacing	64,063	121,629
— One 5 ton dump truck	15,300	—
● Sewage		
— Installation of control valve	—	1,196
● Recreation		
— Construction of Memorial Community Centre	399,754	58,175
● Development		
— Land for New Haven Industrial Park	—	7,900

Year End Capital Balances:

	1978 Actual \$	1977 Actual \$
● Previous year's projects not financed	—	45,000
● Capital receipts available for 1979	20,739	—

Notes:

- (1) The Capital Fund of the Township is used to record significant expenditures of the municipality for land, buildings, structures and equipment. For an expenditure to be classified as a capital expenditure, the benefit from the expenditure should last more than one year.
- (2) The property tax amounts received from the Revenue Fund were raised by the Township's annual levy for capital purposes. This levy was set at 4.5 mills in 1977 and 1978. Your Council has continued its policy to eliminate reliance on debenture financing. Long-term liabilities as at December 31, 1978 amounted to \$46,704 (1977 balance was \$54,230).
- (3) In addition, the Township incurred \$10,000 in long-term liabilities on behalf of the Franklin Hydro-Electric Commission. Repayment of this debt will be recovered from electric power charges made by the Commission and not from general taxation levies of the Township.

RESERVE AND RESERVE FUND OPERATIONS

	1978 Actual \$	1977 Actual \$
Revenues:		
— Contributions raised through general taxation	20,000	6,000
— Lot levies received from developers	15,000	4,000
— Interest on investments	22,500	20,000
	<u>57,500</u>	<u>30,000</u>
Expenditures:		
— Contribution from the Reserve for contingencies to offset higher than budgeted winter control and arena operating costs	30,000	—
	<u>30,000</u>	<u>—</u>
Note: Reserve and reserve funds represent current revenue amounts set aside for specific municipal purposes. The following indicates the year-end balances of these particular allocations:		
Reserves		
— For working capital	22,500	—
— For park buildings	5,213	5,213
— For contingencies	33,000	28,000
	<u>60,713</u>	<u>33,213</u>
Reserve Funds		
— For equipment replacement	204,975	204,975
— For installation of sewer and water lines, and street lighting (New Haven Subdivision)	50,000	50,000
	<u>254,975</u>	<u>254,975</u>
Total accumulated for specific purposes	<u>315,688</u>	<u>288,188</u>

OTHER IMPORTANT YEAR END BALANCES

	1978 \$	1977 \$
Cash and short-term investments	142,581	70,709
Amounts due to the Township:		
— Property taxes unpaid	331,856	279,409
— Payments-in-lieu unpaid	38,752	15,548
— Province of Ontario grants	286,155	73,683
— Other receivables	57,627	26,541
	<u>714,390</u>	<u>395,181</u>
Amounts owed by the Township:		
— Temporary bank loans	342,000	—
— To the Province of Ontario	38,575	42,625
— County of Jefferson requisition	55,497	39,224
— School board requisitions	49,288	63,845
— Other payables and liabilities	19,517	26,804
	<u>504,877</u>	<u>172,498</u>
Funds under administration:		
— Sinking Funds to retire long-term debt	18,500	12,400
— Greenwood Perpetual Care Trust Fund	13,209	12,284

Notes:

- (1) Accounting treatment for capital assets acquired differs from that used by private commercial entities. The historical cost and accumulated depreciation of fixed assets are not accounted for separately.
- (2) "Long-term liabilities" (see Note 2. — CAPITAL OPERATIONS) have been reduced by the total value of sinking funds accumulated to the year-end to retire these liabilities.

GENERAL STATISTICS

	1978	1977
Population	8,077	8,033
Households	2,697	2,671
Area in acres	66,898	66,898
Taxable assessment	\$8,628,460	\$8,356,780
Equivalent exempt assessment subject to payment-in-lieu of taxes	\$3,404,960	\$3,378,600
Township employees (full time)	28	17

GENERAL NOTES

1. The audited 1978 Financial Report consolidates the operations, assets and liabilities of the Township and its local boards and municipal enterprises as follows: Police Village of Franklin, Ontario Community Park Board, Memorial Community Centre and Ontario Centennial Library Board.
 2. Municipal enterprises are those activities whose costs are substantially recovered from service charges on the users. The enterprises of the Township whose revenues and expenditures have been excluded from the financial information highlighted above are as follows: Franklin Hydro-Electric Commission, Greenwood Cemetery Board and Sunset Transit Commission. Copies of the audited financial statements for these enterprises can be obtained from our auditors: Sherlock and Holmes, 125 King Street, Franklin, Ontario.
 3. The financial highlights presented have been basically extracted from the audited 1978 Financial Report of the Township and its local boards as described in Note 1. The terminology contained in the Financial Report has been modified and information expanded in order that you might appreciate more fully the nature of our operations.
 4. Copies of the 1978 audited Financial Report are available from the Township Treasurer for any resident who wishes to review or analyze the financial operations of the Township in greater detail.
 5. The preceding represents a significant change in the format of information provided annually to inform you of the results of the previous year, as required by Provincial Statutes. We trust this additional information provides a greater insight into the Township operations during 1978.
-

REGIONAL MUNICIPALITY OF ALLENTON

Message from the Chairman

As Chairman, I am pleased to present this summary of the 1978 Financial Operations of the Region of Allenton, and welcome this opportunity to comment on developments in 1978.

This format of the financial summary has been changed for 1978 to make it more interesting and readable. I hope you find this new format more informative.

Current Fund Operations:

Current operating expenditures in 1978 were \$16,560,493 up \$1,140,146 or 7.6% over 1977 but still \$166,277 less than budgeted. This reflects the cost conscious attitude of council. While expenditures for services considered vital to the welfare of the community, such as police and roads, were at or above those budgeted, expenditures for less essential services, which have been combined in other expenditures in this financial summary, were tightly controlled and totalled \$1,616,550 (or 7% below budget).

The increase in expenditures was achieved with only a \$362,708 increase in the levy on supporting municipalities, which is the amount ultimately borne by the ratepayers of the Region. The remainder of the increased expenditures were financed from \$253,127 of previous year's surplus taken into revenue and \$519,000 transferred from the reserve for working funds and contingencies.

Capital Fund Operations:

The continuing program of rebuilding regional roads and expanding and replacing the water and sewage systems again comprised most of our capital expenditures. It is expected that these heavy capital expenditures will continue for the next few years as the Region upgrades the road, water and sewage systems it assumed from the former municipalities. During the year the Region issued \$2,560,261 in debentures to pay for these projects. This will result in additional debt charges of approximately \$350,000 annually during the next 10 years.

Reserves and Reserve Funds:

It is the policy of the Region to have all new development pay for the installation of its own capital services, so that it will not result in any charges to the Region. During 1978 \$245,711 was collected from developers to offset costs arising from new development. At the year-end \$836,524 was on hand for this purpose.

At the year-end \$928,401 remained in the reserve for working funds and contingencies. This has been determined to be the prescribed amount required by the Region and will not be available to reduce the tax burden in future years.

Assessment:

Assessment growth in 1978 continued at a steady 3.4%. This orderly growth, which expands our tax base, without placing extraordinary servicing costs on the Region or threatening the character of our established communities, has been encouraged by the Region. Ontario Municipal Board approval of the Region's Official Plan, which should assure this pattern of controlled growth, is expected in 1979.

The goal of the Regional Council is to provide the required level of services to the residents of the Region at the lowest possible cost. I would encourage citizens and taxpayers to contact their regional councillors or the regional offices if they would like more information on our activities.

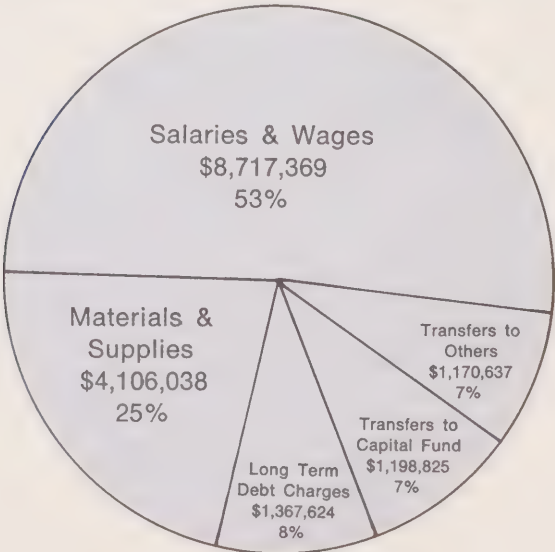
T. W. Frank
Chairman.

SUMMARY OF REVENUE FUND OPERATIONS

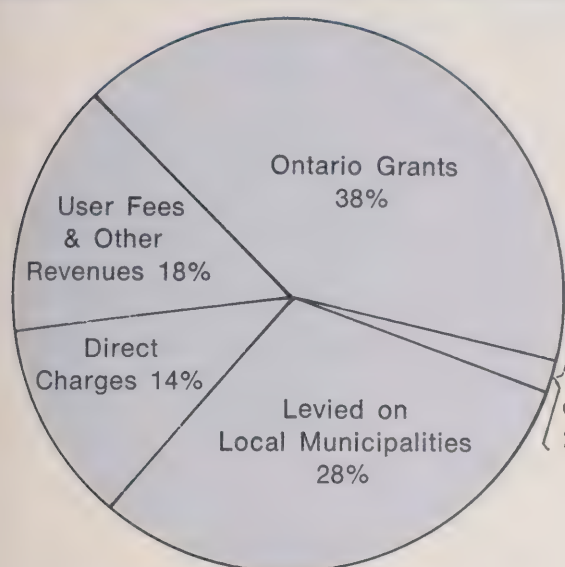
The Revenue Fund records the day-to-day operations of the municipality.

Where the money was spent	1978 Actual \$	1978 Budget \$	1977 Actual \$	To provide
Homes for the aged	3,185,043	3,393,177	3,034,156	2 Homes for the Aged with 403 beds
Roadways	2,665,443	2,510,000	2,237,735	maintaining 240 miles of road and operating 27 traffic signals
Police	2,339,914	2,361,693	2,146,783	72 police, 14 civilian support, 39 vehicles
Sewage	1,796,349	1,813,721	1,591,780	94 miles of sanitary sewers, 3,446 million gallons of sewage treated
Waterworks	1,624,818	1,620,772	1,453,365	187 miles of trunk and lateral lines, 12,167 households serviced
General government	1,037,954	961,749	1,277,503	general administration and council
Board of health	870,393	904,230	821,001	35 nurses and 12 homemakers
General welfare	737,456	759,000	696,678	106 social assistance clients receiving financial help
Planning	686,573	673,380	682,225	659 construction starts approved, developing the official plan
Other expenditure	1,616,550	1,729,048	1,479,121	2 garbage disposal sites, 7 building inspection officers, 3 conservation authorities
Total	16,560,493	16,726,770	15,420,347	

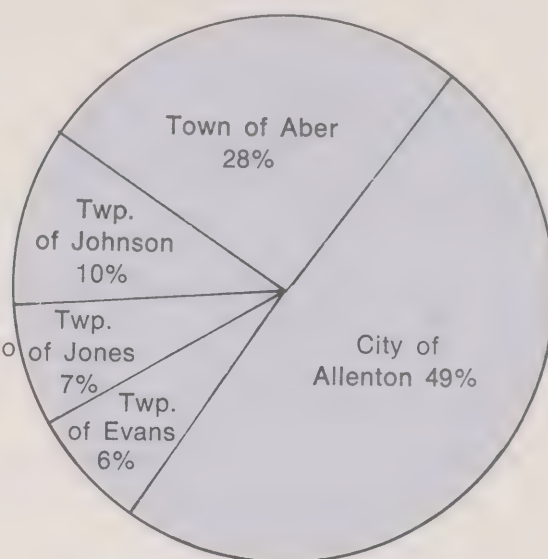
What the money was spent on:



SUMMARY OF REVENUE FUND OPERATIONS



Where the money came from:



Portions Contributed By Supporting Municipalities

More specifically revenues were

Previous year's surplus taken into current revenue

Ontario grants

- to offset costs of specific services
- to offset general burden of municipal taxes

Levied on supporting municipalities

- City of Allenton
- Town of Aber
- Township of Johnson
- Township of Jones
- Township of Evans

Direct Charges on ratepayers

- water charges and frontage rates
- sewer charge frontage rates

Other revenue

- resident fees — Homes for the Aged
- other fees and user charges
- other revenue

Total

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Previous year's surplus taken into current revenue	460,573	460,573	810,403
Ontario grants			
— to offset costs of specific services	3,802,219	3,602,172	3,394,596
— to offset general burden of municipal taxes	2,987,458	2,842,129	2,667,183
	<u>6,789,677</u>	<u>6,444,301</u>	<u>6,061,779</u>
Levied on supporting municipalities			
— City of Allenton	2,324,270	2,329,637	2,151,911
— Town of Aber	1,280,720	1,331,222	1,185,747
— Township of Johnson	521,775	499,208	483,082
— Township of Jones	332,039	320,920	307,416
— Township of Evans	284,604	273,376	263,499
	<u>4,743,408</u>	<u>4,754,363</u>	<u>4,391,655</u>
Direct Charges on ratepayers			
— water charges and frontage rates	1,682,724	1,669,312	1,580,137
— sewer charge frontage rates	678,546	702,251	637,865
	<u>2,361,270</u>	<u>2,371,563</u>	<u>2,218,002</u>
Other revenue			
— resident fees — Homes for the Aged	1,238,058	1,440,964	1,151,558
— other fees and user charges	438,480	524,353	407,844
— other revenue	902,750	1,064,850	839,679
	<u>2,579,288</u>	<u>3,030,167</u>	<u>2,399,081</u>
Total	<u>16,934,216</u>	<u>17,060,967</u>	<u>15,880,920</u>

SUMMARY OF CAPITAL FUND OPERATIONS

The Capital Fund records the acquisition of assets with a life of more than one year.

	1978 \$	1977 \$
Capital assets acquired:		
Protection to persons and property:		
— purchase and equipping police vehicles, new vehicles for building inspectors	280,264	216,380
Roadways:		
— road and bridge construction and purchase of road maintenance equipment	2,069,352	1,428,139
Environmental services:		
— installing new sewage collectors and water transmission lines	2,251,014	1,685,940
How the acquisition of capital assets was financed:		
Long-term debt issued during the year to be repaid out of future revenues	2,560,261	1,605,598
Ontario grants to offset the cost of capital asset acquisition	1,811,848	1,528,325
Current revenues used to pay for capital assets	1,126,732	890,875
Transferred from reserve funds	109,109	87,348

At the year-end \$153,945 in capital purchases had not yet been permanently financed. This was down from \$852,404 at the end of 1977.

SUMMARY OF RESERVE AND RESERVE FUND OPERATIONS

	1978 \$	1977 \$
Opening balance	3,162,251	1,852,434
Revenue	547,454	1,522,960
Expenditure	727,539	213,143
Closing balance	2,982,166	3,162,251
— The year-end balances in the reserves and reserve funds are available for the following purposes:		
Reserves		
Working funds and contingencies	1,070,997	1,527,730
Vested employee sick leave	106,693	132,602
Insurance and replacement of equipment	62,948	41,407
	<u>1,240,638</u>	<u>1,701,739</u>
Reserve Funds		
For future capital expenditures	456,911	404,696
Ontario Home Renewal Plan	448,093	385,988
Subdivider's payments to offset future costs of development	836,524	669,828
	<u>1,741,528</u>	<u>1,460,512</u>
	<u>2,982,166</u>	<u>3,162,251</u>

— During the year, \$475,361 in municipal revenue was credited directly to Reserve funds without being reflected as part of the revenues and expenditures of the Revenue Fund.

— In 1978, \$519,000 previously transferred to the reserve for working funds and contingencies was determined to be in excess of current needs and was transferred to the Revenue Fund to reduce the levy on local municipalities.

SELECTED YEAR END BALANCES

	1978	1977
	\$	\$
Cash and short-term investments	1,977,326	2,020,364
Current receivables	1,961,839	1,856,335
Other current assets	914,583	687,493
Temporary loans outstanding	503,866	145,288
Trade accounts payable and accrued liabilities	1,021,187	1,648,481
Outstanding long-term debt	11,278,689	9,617,329
Revenue fund surplus	500,474	460,573

OTHER INFORMATION

1. Trust funds administered by the Region amounting to \$1,157,404 in 1978 (\$1,082,913 in 1977) are not reflected in this financial summary.
2. In 1978, the Region paid \$964,883 to the Ministry of the Environment for the provision and maintenance of water and sanitary sewage systems.
3. The municipality has a liability of \$528,728 under the terms of the vested sick leave plan. This liability is not included in the year-end balance.
4. This summary includes the operations and assets and liabilities of the Region and the Museum Board, the Board of Health, and the waterwork's system. The information presented has been taken from the audited Financial Report of the Region with additional detail from the municipal records. A copy of the audited Financial Report is available from the Region's municipal offices.

The Allenton Transit Commission has not been consolidated; however, copies of its audited Financial Report are available at 136 Orchard Street, Allenton, Ontario.

AUDITOR'S REPORT

Municipality

TOWNSHIP OF ONTARIO

TO: Members of Council, Inhabitants and
Ratepayers of the Corporation of the
Township of Ontario.

We have examined the balance sheet of the Corporation of the Township of Ontario as at December 31, 1978, and the statements of revenue and expenditure, capital operations, reserve and reserve funds, sinking funds, and trust funds for the year ended on that date. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation of the Township of Ontario as at December 31, 1978 and the results of its operations, in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

SHERLOCK & HOLMES

CHARTERED ACCOUNTANTS

Franklin, Ontario
April 27, 1979
License Number 999

SIX-YEAR FINANCIAL REVIEW

Not subject to audit

TOWNSHIP OF ONTARIO

(All dollar amounts are in thousands of dollars, except per capita figures.)

	1978	1977	1976
1. Population at the end of the year.	8,077	8,033	7,870
2. Area in acres at the end of the year.	66,898	66,898	66,898
3. Employees - continuous full time	28	17	17
- part time	5	4	4
4. Number of households.			
5. Assessment	2,697	2,671	2,639
Taxable assessment upon which the year's rates of taxation were set			
Residential and farm	\$ 7,880	\$ 7,612	\$ 7,146
Commercial and industrial	585	581	(722)
Business	164	164	(722)
Total	\$ 8,629	\$ 8,357	\$ 7,868
Per capita	\$ 1,068	\$ 1,040	\$ 908
Commercial and industrial, and business as a percentage of taxable assessment	8.68 %	8.91 %	9.18
Exempt assessment	\$ 4,175	\$ 4,398	\$ 4,398
Provincial equalization factor	16.7	16.7	16.7
6. Rates of taxation			
Residential and farm mill rate			
for general municipal purposes	24.81	24.63	21.07
for region or county purposes	14.09	14.10	12.11
for school board purposes	87.20	77.69	63.98
Total	126.10	116.42	97.16
Commercial and industrial mill rate			
for general municipal purposes	29.19	28.97	24.78
for region or county purposes	16.57	16.59	14.25
for school board purposes	96.89	86.32	71.08
Total	142.65	131.88	110.11
7. Revenue for general municipal services			
Taxation	\$ 274	\$ 259	\$ 206
Payments in lieu of taxes	103	101	87
Ontario grants	422	341	255
Other grants	4	4	2
Fees and service charges	14	17	(51)
Other	79	51	()
Total	\$ 896	\$ 773	\$ 601
8. Tax arrears - per capita	\$ 43	\$ 34	\$ 31
- percentage of current levy	29.51 %	26.23 %	28.72
9. Expenditure - general municipal	\$ 887	\$ 789	\$ 679
10. Transfers to the region or county	\$ 235	\$ 222	\$ 178
11. Transfers to the school boards	\$ 819	\$ 732	\$ 565
12. Net long term liabilities			
General municipal activities	\$ 47	\$ 54	\$ 52
- per capita	6	7	6
- percentage of taxable assessment	.54 %	.65 %	.66
Municipal enterprises	\$	\$	\$
13. Charges for net long term liabilities			
General municipal activities	\$ 10	\$ 8	\$ 5
- per capita	1.24	1.00	.68
- as a mill rate	1.16	.96	.64
14. Capital financing during the year			
Contributions from own funds	\$ 133	\$ 135	\$ 118
Long term liabilities incurred	10	78	25
Ontario grants	226	92	129
Other	150		
Total	\$ 519	\$ 235	\$ 272
15. Capital expenditure during the year	\$ 498	\$ 190	\$ 318
16. Accumulated net revenue (deficit) at the end of the year	\$ 32	\$ 13	\$ 29
17. Reserves and reserve funds	\$ 316	\$ 288	\$ 258

STATEMENT OF REVENUE
AND EXPENDITURE

Municipality

TOWNSHIP OF ONTARIO

1

for the year ended December 31, 1978

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Accumulated net revenue (deficit) at the beginning of the year	11,633	13,612	29,490
Expenditures and transfers			
Municipal expenditures			
General government	186,083	177,571	168,665
Protection to persons and property	78,302	79,842	62,576
Transportation services	321,568	355,535	336,561
Environmental services	61,329	57,819	53,254
Health services	1,000	327	2,723
Social and family services	1,000	1,000	1,000
Recreation and cultural services	141,060	175,829	110,228
Planning and development	36,853	39,205	54,272
Other			
Total expenditure	827,195	887,128	789,279
Transfers			
Transfers to region or county	231,626	234,766	222,526
Transfers to school boards	799,902	819,085	731,936
Total transfers	1,031,528	1,053,851	954,462
Total expenditures and transfers	1,858,723	1,940,979	1,743,741
Revenue by purpose			
Municipal purposes			
Taxation	257,600	274,002	259,439
Payments in lieu of taxes	103,207	103,216	101,340
Ontario grants	384,479	421,833	341,460
Other grants		4,063	4,063
Fees and service charges	52,698	14,045	16,531
Other	26,100	78,448	50,568
Revenue to pay for municipal purposes	824,084	895,607	773,401
Region or county requisition			
Taxation	131,251	134,328	129,509
Payments in lieu of taxes	52,532	52,595	52,589
Ontario grants	47,834	58,145	40,494
Other			
Revenue to pay the region or county requisition	231,617	245,068	222,592
School board requisition			
Taxation	799,917	819,102	731,870
Payments in lieu of taxes			
Other			
Revenue to pay the school board requisition	799,917	819,102	731,870
Total revenue	1,855,618	1,959,777	1,727,863
Accumulated net revenue (deficit) at the end of the year	8,528	32,410	13,612
Analysed as follows:			
General revenue	—	(1,693)	(13,593)
Region or county	(9)	27,076	16,774
School boards	15	17	—
Special charges	—	56	82
Special areas	61	(2,022)	(1,343)
Local boards	8,541	9,161	10,355
Municipal enterprises	(80)	(185)	1,337
	8,528	32,410	13,612

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CAPITAL
OPERATIONS

Municipality

TOWNSHIP OF ONTARIO

2

for the year ended December 31, 1978

	1978 Actual \$	1977 Actual \$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	<u>NIL</u>	<u>45,000</u>
Capital expenditure		
General government	· 2,389	· 1,135
Protection to persons and property	· 16,394	· —
Transportation services	· 79,363	· 121,629
Environmental services	· —	· 1,196
Health services	·	·
Social and family services	·	·
Recreation and cultural services	· 399,754	· 58,175
Planning and development	· —	· 7,900
Other	·	·
Total expenditure	<u>· 497,900</u>	<u>· 190,035</u>
Capital financing		
Contributions from the revenue fund	· 133,109	· 134,980
Contributions from reserve funds and reserves	·	·
Long term liabilities incurred	· 10,000	· 7,900
Ontario grants	· 225,630	· 92,155
Other	· 150,000	· —
Total capital financing	<u>· 518,739</u>	<u>· 235,035</u>
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	<u>(20,839)</u>	<u>NIL</u>

The accompanying notes are an integral part
of this financial statement.

BALANCE SHEET

Municipality

TOWNSHIP OF ONTARIO

3

as at December 31, 1978

assets

Current assets	1978 \$	1977 \$
Cash	142,081	70,709
Accounts receivable	382,534	115,772
Taxes receivable	331,856	279,409
Investments	500	-
Other current assets	16,843	8,408
	873,514	474,298
Capital outlay to be recovered in future years	46,704	54,230
Other long term assets		
	920,518	528,528

liabilities

Current liabilities		
Temporary loans	342,000	-
Accounts payable and accrued liabilities	162,877	172,498
Other current liabilities		
	504,877	172,498
Net long term liabilities	46,704	54,230
Reserves and reserve funds	315,688	288,188
Accumulated net revenue (deficit) and unapplied capital receipts	53,249	13,612
	920,518	528,528

The accompanying notes are an integral part
of this financial statement.

NOTES TO THE
FINANCIAL STATEMENTS

Municipality

TOWNSHIP OF ONTARIO

4

FOR THE YEAR ENDED DECEMBER 31, 1978

1. ACCOUNTING POLICIES

(a) Statement of Revenue and Expenditure

This statement reflects the revenues and expenditures of the revenue fund of the municipality (including the activities of all committees of council) and the following municipal enterprise and local boards:

Police Village of Franklin
Ontario Community Park Board
Ontario Centennial Library Board

(b) Statement of Capital Operations

This statement reflects the capital expenditure and the related capital financing to be recovered from general municipal revenues of the municipality and its municipal enterprise and local boards described in note 1 (a). In addition to the long term liabilities reported on this statement, the municipality incurred \$10,000 in long term liabilities on behalf of its municipal enterprises. Repayment of this debt will be from the revenues of the Franklin Hydro-Electric Commission and not from general municipal revenues.

(c) Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, capital fund, reserve funds and the local boards and municipal enterprises as described in note 1 (a). The assets and liabilities of local boards and enterprises that have not been consolidated are reflected only to the extent of their related net long term liabilities and capital outlay to be recovered in future years.

(d) Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead, the "Capital outlay to be recovered in future years", which is the aggregate of the principal portion of unmatured long term liabilities, capital funds transferred to other organizations and the cost of capital projects not yet permanently financed, is reported on the "Balance Sheet".

(e) Municipal Enterprises

Municipal enterprise activities are those activities whose costs are substantially recovered from service charges on the users. The enterprises of this municipality whose revenues and expenditures have not been consolidated in these financial statements are Franklin Hydro-Electric Commission, Greenwood Cemetery Board and Sunset Transit Commission.

(f) Charges for Net Long Term Liabilities

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year.

NOTES TO THE
FINANCIAL STATEMENTS

Municipality

TOWNSHIP OF ONTARIO

4

Page 2

(g) Trust Funds

Trust funds administered by the municipality amounting to \$13,209 are only reflected in the Trust Funds, Statement of Continuity and Balance Sheet.

2. CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues as it is to be recovered in future years from other sources:

	<u>1978</u>	<u>1977</u>
Tile Drainage Act	\$22,100	\$25,600
Franklin Hydro-Electric Commission	10,000	12,000
	<u>\$32,100</u>	<u>\$37,600</u>

(b) Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$133,109 which have been financed from general municipal revenues of the current year, are reported on the Statement of Revenue and Expenditure.

3. RESERVES AND RESERVE FUNDS

(a) Provision for reserves amounting to \$20,000 are reported on the "Statement of Revenue and Expenditure" classified under the appropriate headings.

(b) During the year, \$30,000 was credited directly to reserve funds without being recorded as revenues and expenditures of the Revenue Fund. The sources were:

Contribution from subdividers	\$15,000
Interest income from investments	<u>15,000</u>
	<u>\$30,000</u>

4. NET LONG TERM LIABILITIES

The balance for net long term liabilities reported on the "Balance Sheet" is made up of the following:

Total long term liabilities incurred by the municipality including those incurred on behalf of former school boards and outstanding at the end of the year amounted to \$665,204

Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of (600,000)

The total value of sinking funds which have been accumulated to the end of the year to retire the outstanding long term liabilities included above, amount to (18,500)

Net long term liabilities at the end of the year \$ 46,704

NOTES TO THE
FINANCIAL STATEMENTS

Municipality

TOWNSHIP OF ONTARIO

4

Page 3

5. ACCUMULATED NET REVENUE AT THE END OF THE YEAR

The balance in the Revenue Fund at the year end is available to reduce (or to be added to) the levies of the following classes of ratepayers:

	1978	1977
	\$	\$
General ratepayers	7,468	(3,238)
Designated ratepayers	(2,151)	76
School board ratepayers	17	-
County ratepayers	27,076	16,612
	<u>32,410</u>	<u>13,612</u>

6. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for long term liabilities were as follows:

	1978	1977
	\$	\$
Principal payments including contributions to sinking funds	10,525	9,659
Interest	<u>3,327</u>	<u>3,120</u>
	<u>13,852</u>	<u>12,779</u>

Of the total charges shown above \$10,251 was paid from general municipal revenues of the municipality and are included in expenditure on the "Statement of Revenue and Expenditure" classified under the appropriate functional headings. The remaining \$3,601 was recovered from municipal enterprises for which the related net long term liabilities were incurred and are not reflected in the statement.

7. CONTRACTUAL OBLIGATIONS

By agreement the municipality is leasing garage space for a ten year period from April 15, 1977 to April 15, 1987. The base rent per year is \$1,800 with an escalator clause to compensate for increased maintenance and utility costs over the base year of 1977.

8. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate so that employees may become entitled to a cash payment on termination of service.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash on terminating employment, amounted to \$47,580 at the end of the year. No provision has been made for this liability.

9. THE ANTI-INFLATION ACT

The municipality, its local boards and commission were, by agreement between the Government of Canada and the Government of the Province of Ontario dated January 13, 1976, subject to the Anti-Inflation Act (Canada) and the national guidelines. This legislation limited increases in compensation payments effective October 14, 1975. These controls were terminated effective April 14, 1978.

SINKING FUNDS
STATEMENT OF CONTINUITY
for the year ended December 31, 1978

Municipality

TOWNSHIP OF ONTARIO

5

	Total	Debenture		
	\$	By-Law 67-20	\$	\$
Balance at the beginning of the year	12,400	12,400		
Contributions from revenue fund	5,150	5,150		
Interest earned	950	950		
Other revenue	6,100	6,100		
Expenditure				
Balance at the end of the year	18,500	18,500		

BALANCE SHEET
as at December 31, 1978

	Total	Debenture		
	\$	By-Law 67-20	\$	\$
Assets				
Cash	300	300		
Investments, at cost (market value \$18,000)	18,000	18,000		
Canada				
Provincial				
Municipal — own				
— other				
Accrued Interest	200	200		
	18,200	18,200		
Other				
	18,500	18,500		
Liabilities				
Accounts payable and accrued liabilities				
Other				
Balance — Excess	2,400	2,400		
— Actuarial	16,100	16,100		
Requirements for Retirement	18,500	18,500		
	18,500	18,500		

RESERVE AND RESERVE FUNDS
STATEMENT OF CONTINUITY AND
ANALYSIS OF YEAR END POSITION
for the year ended December 31, 1978

Municipality

TOWNSHIP OF ONTARIO

6

	1978 Actual \$	1977 Actual \$
Available at the beginning of the year for future municipal purposes	288,188	258,188
Revenue		
Contributions from the revenue fund	20,000	6,000
Contributions from developers	15,000	4,000
Interest earned	22,500	20,000
	57,500	30,000
Expenditure		
Transfers to the capital fund		
Transfers to the revenue fund	30,000	
	30,000	
Available at the year end for future municipal purposes	315,688	288,188

ANALYSIS OF YEAR-END POSITION
as at December 31, 1978

Reserves		
Reserve for working capital	22,500	
Reserve for park building	5,213	5,213
Reserve for contingencies	33,000	28,000
	60,713	33,213
Reserve funds		
Reserve fund for equipment	204,975	204,975
Impost levy fund	50,000	50,000
	254,975	254,975
Year end position of reserves and reserve funds	315,688	288,188

The accompanying notes are an integral part
of this financial statement.

AUDITOR'S REPORT

Regional Municipality
of Allenton

TO: The Chairman, Members of Council,
 Inhabitants and Ratepayers of the
 Regional Municipality of Allenton.

 We have examined the 1978 financial statements
of the Regional Municipality of Allenton as set out on
the attached index.

 Our examination was made in accordance with
generally accepted auditing standards and accordingly
included such tests and other procedures as we con-
sidered necessary in the circumstances.

 In our opinion, these financial statements
present fairly the financial position of the Regional
Municipality of Allenton as at December 31, 1978 and
the results of its operation for the year then ended
in accordance with accounting principles generally
accepted for Ontario municipalities applied on a basis
consistent with that of the preceding year.

SHERLOCK & HOLMES

Signed

Allenton, Ontario
April 15, 1979
License Number 999

STATEMENT OF REVENUE
AND EXPENDITURE

Regional Municipality of
ALLENTON

1
(Region/
County)

for the year ended December 31, 1978

	1978 Budget \$	1978 Actual \$	1977 Actual \$
Accumulated net revenue (deficit) at the beginning of the year	460,573	460,573	810,403
Expenditure			
General government	961,749	1,037,954	1,277,503
Protection to persons and property	2,952,116	2,920,794	2,684,114
Transportation services	2,510,000	2,665,443	2,345,348
Environmental services	3,858,982	3,813,258	3,460,392
Health services	1,149,399	1,129,345	1,066,826
Social and family services	4,464,706	4,151,706	3,891,682
Recreation and cultural services	18,517	18,965	12,257
Planning and development	811,301	823,028	682,225
Other			
Total expenditure	<u>16,726,770</u>	<u>16,560,493</u>	<u>15,420,347</u>
Revenue			
Requisition on local municipalities	4,743,408	4,754,363	4,391,655
Direct charges on ratepayers	2,361,270	2,371,563	2,218,002
Ontario grants	6,789,677	6,444,301	6,061,779
Other	2,579,288	3,030,167	2,399,081
Total revenue	<u>16,473,643</u>	<u>16,600,394</u>	<u>15,070,517</u>
Accumulated net revenue (deficit) at the end of the year	<u>207,446</u>	<u>500,474</u>	<u>460,573</u>
Analysed as follows			
General revenue	--	215,452	--
Special charges			
Special areas			
Local boards			
Municipal enterprises	207,446	285,022	460,573
	<u>207,446</u>	<u>500,474</u>	<u>460,573</u>

The accompanying notes are an integral part
of this financial statement.

STATEMENT OF CAPITAL
OPERATIONSRegional Municipality of
ALLENTON

2

for the year ended December 31, 1978

	1978 Actual \$	1977 Actual \$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	852,404	1,619,043
Capital expenditure		
General government	48,195	5,076
Protection to persons and property	280,264	216,380
Transportation services	2,069,352	1,428,139
Environmental services	2,251,014	1,685,940
Health services	3,645	2,814
Social and family services	5,191	6,319
Recreation and cultural services	499	-
Planning and development	12,087	7,316
Other	293,953	-
Total expenditure	4,964,200	3,351,984
Capital financing		
Contributions from the revenue fund	1,126,732	890,875
Contributions from reserve funds and reserves	109,109	87,348
Long term liabilities incurred	2,560,261	1,605,598
Ontario grants	1,811,848	1,528,325
Other	54,709	6,477
Total capital financing	5,662,659	4,118,623
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	153,945	852,404

The accompanying notes are an integral part
of this financial statement.

BALANCE SHEET

Regional Municipality of
ALLENTON

3

as at December 31, 1978

assets

Current assets	1978 \$	1977 \$
Cash	1,691,576	2,020,364
Accounts receivable	1,961,839	1,856,335
Taxes receivable	.	.
Investments	285,750	--
Other current assets	914,583	687,493
	<u>4,853,748</u>	<u>4,564,192</u>
Capital outlay to be recovered in future years	11,549,708	10,800,924
Other long term assets	.	.
	<u>16,403,456</u>	<u>15,365,116</u>

liabilities

Current liabilities		
Temporary loans	503,866	145,288
Accounts payable and accrued liabilities	975,572	1,565,969
Other current liabilities	45,615	82,515
	<u>1,525,053</u>	<u>1,793,772</u>
Net long term liabilities	11,278,689	9,617,329
Reserves and reserve funds	2,982,166	3,162,251
Accumulated net revenue (deficit) and unapplied capital receipts	617,548	791,764
	<u>16,403,456</u>	<u>15,365,116</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO THE
FINANCIAL STATEMENTSRegional Municipality of
ALLENTON

4

FOR THE YEAR ENDED DECEMBER 31, 1978

1. ACCOUNTING POLICIES

(a) Statement of Revenue and Expenditure

This statement reflects the revenues and expenditures of the revenue fund and the following local boards and municipal enterprises:

Allenton Museum Board
Allenton Board of Health
Allenton Waterworks System

(b) Statement of Capital Operations

This statement reflects the capital expenditure of the municipality to be recovered from the general municipal revenue of the municipality and its local boards and municipal enterprises as described in note 1 (a).

In addition to the net long term liabilities incurred and reported on this statement, the municipality also issued long term liabilities on behalf of its area municipalities. Repayment of this debt will be made by the respective area municipalities.

(c) Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, the capital fund, reserve funds and local boards and municipal enterprises as described in note 1 (a). The assets and liabilities of local boards and enterprises that have not been consolidated are reflected only to the extent of their related net long term liabilities and capital outlay to be recovered in future years.

(d) Fixed Assets

The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead the "Capital outlay to be recovered in future years" which is the aggregate of the principal portion of unmatured long term liabilities, capital funds transferred to other organizations, and the cost of capital projects not yet permanently financed is reported on the Balance Sheet.

(e) Municipal Enterprises

Municipal enterprises are those activities whose costs are substantially recovered from service charges on the users. The enterprise of this municipality whose revenues and expenditures have not been consolidated in these financial statements is the Allenton Transit Commission.

(f) Charges for Net Long Term Liabilities

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year.

(g) Trust Funds

Trust funds administered by the municipality amounting to \$1,157,404 are only reflected in the Trust Funds, Statement of Continuity and Balance Sheet. At December 31, 1977 trust funds administered amounted to \$1,082,913.

NOTES TO THE
FINANCIAL STATEMENTSRegional Municipality of
ALLENTON

4

Page 2

2. CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources:

	<u>1978</u>	<u>1977</u>
Special charges on benefitting landowners	\$ 590,234	\$ 624,731
Municipal enterprises	<u>7,886,474</u>	<u>6,773,601</u>
	<u>\$8,476,708</u>	<u>\$7,398,332</u>

(b) Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$1,126,732 which have been financed from general municipal revenues of the current year, are reported on the Statement of Revenue and Expenditure.

3. RESERVE FUNDS

During the year, \$475,361 was credited directly to reserve funds without being recorded as revenues and expenditures of the Revenue Fund. The sources were:

	<u>1978</u>	<u>1977</u>
Contributions from Subdividers	\$245,711	\$365,797
Province of Ontario Grants - O.H.A.P.	12,735	46,635
Province of Ontario Grant - O.H.R.P.	107,520	339,708
Contribution from Other Municipalities	14,580	-
Income from Investments	<u>94,815</u>	<u>69,887</u>
	<u>\$475,361</u>	<u>\$822,027</u>

4. NET LONG TERM LIABILITIES

(a) The balance for net long term liabilities reported on the Balance Sheet is made up of the following:

Total long term liabilities incurred by the municipality including those incurred on behalf of former school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to \$14,091,681

In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is 3,114,386

Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of (5,451,251)

The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long term liabilities included above, amount to (476,127)

NET LONG TERM LIABILITIES AT THE END OF THE YEAR:

\$11,278,689

NOTES TO THE
FINANCIAL STATEMENTSRegional Municipality of
ALLENTON

4

Page 3

5. ACCUMULATED NET REVENUE AT THE END OF THE YEAR

The balance in the revenue fund at the year end is available to reduce the levies of the following classes of ratepayers:

	<u>1978</u>	<u>1977</u>
General ratepayers	\$215,452	\$ -
Water and Sewer Operations	<u>285,022</u>	<u>460,573</u>
	<u>\$500,474</u>	<u>\$460,573</u>

6. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for long term liabilities were as follows:

	<u>1978</u>	<u>1977</u>
Principal payments including contributions to the Ministry of Environment Debt Retirement Fund	\$ 604,134	\$ 513,543
Interest	<u>763,490</u>	<u>673,754</u>
	<u>\$1,367,624</u>	<u>\$1,187,297</u>

All of the total charges shown above were paid from general municipal revenues of the municipality and are included in expenditure on the Statement of Revenue and Expenditure classified under the appropriate functional headings.

7. CONTRACTUAL OBLIGATIONS

Water and Sanitary Sewage Systems:

Under the Regional Municipality of Allenton Act, the Region has assumed the responsibility of the former local municipalities in agreements with the Ontario Water Resources Commission and Ministry of the Environment. The previous agreements between local municipalities and the Ontario Water Resources Commission and Ministry of the Environment are being renegotiated at the present time to reflect the change in legislation and operations.

8. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$528,728 at the end of the year. An amount of \$69,293 has been provided for this past service liability and is reported on the Balance Sheet.

9. THE ANTI-INFLATION ACT

The municipality, its local boards and commissions were, by agreement between the Government of Canada and the Government of the Province of Ontario dated January 13, 1976, subject to the Anti-Inflation Act (Canada) and the national guidelines. This legislation limited increases in compensation payments effective October 14, 1975. These controls were terminated effective April 14, 1978.

TRUST FUNDS

STATEMENT OF CONTINUITY

for the year ended December 31, 1978

REGIONAL MUNICIPALITY OF
ALLENTON

5

	Total \$	ROYAL OAK Residents \$	ROYAL OAK Bequests \$	SOUTHVIEW Residents \$
Balance at the beginning of the year	55,568	--	55,568	--
Capital receipts				
.				
.				
Interest earned	5,337		5,337	
Other revenue	5,337		5,337	
Expenditure				
.				
.				
Balance at the end of the year	60,905	--	60,905	--

BALANCE SHEET

as at December 31, 1978

	Total \$	\$	\$	\$
Assets				
Cash	64,846	54,130	8,347	2,369
Investments, at cost (market value \$1,092,000)				
Canada				
Provincial				
Municipal — own	19,800		19,800	
— other				
Term Deposits	1,052,000	745,000	12,000	295,000
Debentures	20,000		20,000	
	1,091,800	745,000	51,800	295,000
Other				
Accrued Interest				
Receivable	758		758	
	758		758	
	1,157,404	799,130	60,905	297,369
Liabilities				
Accounts payable and accrued liabilities				
Other				
Due to Residents	1,096,499	799,130		297,369
	1,096,499	799,130		297,369
Balance — capital	42,178		42,178	
— income	18,727		18,727	
	60,905		60,905	
	1,157,404	799,130	60,905	297,369

Application of These Requirements

The application of these requirements to a particular municipality may present difficulties. For assistance in developing the most suitable presentation, or for further details on some of the specific requirements, we suggest you contact one of the ten offices of the Field Services Branch. They are located at these addresses:

Brantford
172 Dalhousie Street
Brantford, Ontario
N3T 2J7
519-756-0360

Orillia
15B Matchedash Street North
Orillia, Ontario
L3V 4T4
705-325-6144

Guelph
30 Edinburgh Road North
Guelph, Ontario
N1H 7J1
519-836-2531

Oshawa
74 Simcoe St. S., P.O. Box 2216
Oshawa, Ontario
L1H 7V5
416-571-1515

Kingston
1055 Princess Street
Kingston, Ontario
K7L 5T3
613-546-5565

Ottawa
244 Rideau Street
Ottawa, Ontario
K1N 5Y3
613-232-9446

London
495 Richmond St., 7th Floor
London, Ontario
N6A 5A9
519-438-7255

Sudbury
1349 Lasalle Boulevard
Sudbury, Ontario
P3A 1Z2
705-566-0901

North Bay
347 Sherbrooke Street
North Bay, Ontario
P1B 2C1
705-476-4300

Thunder Bay
435 James Street South
Thunder Bay, Ontario
P7C 5G6
807-475-1621

The Field Services Officers are always ready to be of service to you.

ISBN 0 7743 3156 9